POLSINELLI

ORIGINAL

150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

December 7, 2018

Anne M. Cooper
(312) 873-3606
(312) 819-1910 fax
acooper@polsinelli.com

FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Permit – Sauganash Dialysis

Dear Mr. Constantino:

I am writing on behalf of DaVita Inc. and Total Renal Care, Inc. (collectively, "DaVita") to submit the attached Application for Permit to establish a 12-station dialysis facility in Chicago, Illinois. For your review, I have attached an original and one copy of the following documents:

1. Check for $2,500 for the application processing fee;
2. Completed Application for Permit;
3. Copies of Certificate of Good Standing for the Applicants;
4. Authorization to Access Information; and
5. Physician Referral Letter.

Thank you for your time and consideration of DaVita's application for permit. If you have any questions or need any additional information to complete your review of the DaVita's application for permit, please feel free to contact me.

Sincerely,

Anne M. Cooper

Attachments

18-048

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION AND CERTIFICATION

RECEIVED
DEC 10 2018
HEALTH FACILITIES & SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Sauganash Dialysis	
Street Address:	4054 W. Peterson Ave	
City and Zip Code:	Chicago, Illinois 60646	
County: Cook	Health Service Area: 6	Health Planning Area: 6

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	DaVita Inc.
Street Address:	2000 16th Street
City and Zip Code:	Denver, CO 80202
Name of Registered Agent:	Illinois Corporation Service Company
Registered Agent Street Address:	801 Adlai Stevenson Drive
Registered Agent City and Zip Code:	Springfield, Illinois 62703
Name of Chief Executive Officer:	Kent Thiry
CEO Street Address:	2000 16th Street
CEO City and Zip Code:	Denver, CO 80202
CEO Telephone Number:	(303) 405-2100

Type of Ownership of Applicants

- ☐ Non-profit Corporation
- ☒ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Kara Friedman
Title:	Attorney
Company Name:	Polsinelli
Address:	150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number:	312-873-3639
E-mail Address:	kfriedman@polsinelli.com
Fax Number:	

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Gaurav Bhattacharyya
Title:	Division Vice President
Company Name:	DaVita Inc.
Address:	1301 W 22nd Street Suite 603, Oakbrook IL 60523
Telephone Number:	630-382-0490
E-mail Address:	gauravb@davita.com
Fax Number:	866-467-9358

Facility/Project Identification

Facility Name:	Sauganash Dialysis	
Street Address:	4054 W. Peterson Ave	
City and Zip Code:	Chicago, Illinois 60646	
County: Cook	Health Service Area: 6	Health Planning Area: 6

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	Total Renal Care, Inc.
Street Address:	2000 16th Street
City and Zip Code:	Denver, CO 80202
Name of Registered Agent:	Illinois Corporation Service Company
Registered Agent Street Address:	801 Adlai Stevenson Drive
Registered Agent City and Zip Code:	Springfield, Illinois 62703
Name of Chief Executive Officer:	Kent Thiry
CEO Street Address:	2000 16th Street
CEO City and Zip Code:	Denver, CO 80202
CEO Telephone Number:	(303) 405-2100

Type of Ownership of Applicants

☐ Non-profit Corporation ☐ Partnership
☒ For-profit Corporation ☐ Governmental
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- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

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Title:	Attorney
Company Name:	Polsinelli
Address:	150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number:	312-873-3639
E-mail Address:	kfriedman@polsinelli.com
Fax Number:	

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Gaurav Bhattacharyya
Title:	Division Vice President
Company Name:	DaVita Inc.
Address:	1301 W 22nd Street Suite 603, Oakbrook IL 60523
Telephone Number:	630-382-0490
E-mail Address:	gauravb@davita.com
Fax Number:	866-467-9358

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]**

Name:	Kara Friedman
Title:	Attorney
Company Name:	Polsinelli PC
Address:	150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606-1599
Telephone Number:	312-873-3639
E-mail Address:	kfriedman@polsinelli.com
Fax Number:	

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Rule Transfer IL, Inc.

Address of Site Owner: 2211 N. Elston Ave, Suite 304, Chicago, IL 60614

Street Address or Legal Description of the Site: 4054 W. Peterson Ave, Chicago, IL 60646

Legal Description PIN 13-03-228-038: LOT 17 AND THE COUTH HALF OF THE EAST AND WEST VACATED ALLEY LYING NORTH OF AND ADJOINING LOT 17 IN BLOCK 19 IN KRENN AND DATO'S CRAWFORD-PETERSON ADDITION TO NORTH EDGEWATER, BEING A SUBDIVISION OF PART OF THE EAST ½ FRACTIONAL SECTION 3 (NORTH OF INDIAN BOUNDARY LINE), TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 12, 1942 AS DOCUMENT NUMBER 8548903, IN COOK COUNTY, IL

APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name:	Total Renal Care, Inc.
Address:	2000 16th Street, Denver, CO 80202

☐ Non-profit Corporation ☐ Partnership
☒ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (**http://www.hfsrb.illinois.gov**).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

☒ Substantive

☐ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms, NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

DaVita Inc. and Total Renal Care, Inc., (collectively, the "Applicants" or "DaVita") seek authority from the Illinois Health Facilities and Services Review Board (the "State Board") to establish a 12-station dialysis clinic located at 4054 W. Peterson Ave, Chicago, IL. The proposed dialysis clinic will include approximately 7,067 gross square feet.

This project has been classified as substantive because it involves the establishment of a health care facility.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	$1,559,184		$1,559,184
Modernization Contracts			
Contingencies	$155,918		$155,918
Architectural/Engineering Fees	$127,206		$127,206
Consulting and Other Fees	$38,000		$38,000
Movable or Other Equipment (not in construction contracts)	$581,818		$581,818
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	$2,216,563		$2,216,563
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	**$4,678,689**		**$4,678,689**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$2,462,126		$2,462,126
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	$2,216,563		$2,216,563
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$4,678,689**		**$4,678,689**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs
Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☒ Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ $2,132,999.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): April 30, 2021

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:
☐ Cancer Registry
☐ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		**CITY:**			
REPORTING PERIOD DATES:		**From:**	**to:**		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of DaVita Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Arturo Sida	Michael D. Staffieri
PRINTED NAME	PRINTED NAME
Assistant Corporate Secretary	Chief Operating Officer – DaVita Kidney Care
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this _____ day of _____	Notarization: Subscribed and sworn to before me this 9 day of March
See Attached Signature of Notary	Lori Burk Signature of Notary
Seal	Seal

Lori Burk
Notary Public
State of Colorado
Notary ID 20174031018
My Commission Expires July 25, 2021

*Insert EXACT legal name of the applicant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On March 13, 2018 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
COMM. #2226844
Notary Public - California
Los Angeles County
My Comm. Expires Jan. 25, 2022

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL CON Application (DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

Document Date: March 13, 2018 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
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This Application for Permit is filed on the behalf of Total Renal Care, Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Arturo Sida
PRINTED NAME

Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

SIGNATURE

Michael D. Staffieri
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1 day of May

Signature of Notary

Seal

Lori Burk
Notary Public
State of Colorado
Notary ID 20174031018
My Commission Expires July 25, 2021

*Insert EXACT legal name of the applicant

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On March 13, 2018 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
COMM. #2226844
Notary Public - California
Los Angeles County
My Comm. Expires Jan. 25, 2022

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Title or Type of Document: IL CON Application (DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

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Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST

PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify ALL of the alternatives to the proposed project:

Alternative options must include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

   c. The project involves the conversion of existing space that results in excess square footage.

   d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.

3. Evidence that the shell space is being constructed due to:
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data is available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

F. Criterion 1110.1430 - In-Center Hemodialysis

1. Applicants proposing to establish, expand and/or modernize the In-Center Hemodialysis category of service must submit the following information:

2. Indicate station capacity changes by Service: Indicate # of stations changed by action(s):

Category of Service	# Existing Stations	# Proposed Stations
☒ In-Center Hemodialysis	0	12

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.1430(c)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.1430(c)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.1430(c)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.1430(c)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.1430(c)(5) - Planning Area Need - Service Accessibility	X		
1110.1430(d)(1) - Unnecessary Duplication of Services	X		
1110.1430(d)(2) - Maldistribution	X		
1110.1430(d)(3) - Impact of Project on Other Area Providers	X		
1110.1430(e)(1), (2), and (3) - Deteriorated Facilities and Documentation			X
1110.1430(f) - Staffing	X	X	
1110.1430(g) - Support Services	X	X	X
1110.1430(h) - Minimum Number of Stations	X		
1110.1430(i) - Continuity of Care	X		
1110.1430(j) - Relocation (if applicable)	X		
1110.1430(k) - Assurances	X	X	
APPEND DOCUMENTATION AS ATTACHMENT 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

4. **Projects for relocation** of a facility from one location in a planning area to another in the same planning area must address the requirements listed in subsection (a)(1) for the "Establishment of Services or Facilities", as well as the requirements in Section 1130.525 – "Requirements for Exemptions Involving the Discontinuation of a Health Care Facility or Category of Service" and subsection 1110.1430(j) - Relocation of an in-center hemodialysis facility.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]:**

$2,462,126	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
$2,216,563 (FMV of Lease)	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;

	5) For any option to lease, a copy of the option, including all terms and conditions. e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$4,678,689	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

   A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									
*Include the percentage (%) of space for circulation									

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 40.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for DaVita Inc. and Total Renal Care, Inc. (collectively, the "Applicants" or "DaVita") are attached at Attachment – 1.

Total Renal Care, Inc. will be the operator of Sauganash Dialysis. Sauganash Dialysis is a trade name of Total Renal Care, Inc. and is not separately organized.

As the person with final control over the operator, DaVita Inc. is named as an applicant for this CON application. DaVita Inc. does not do business in the State of Illinois. A Certificate of Good Standing for DaVita Inc. from the state of its incorporation, Delaware, is attached.

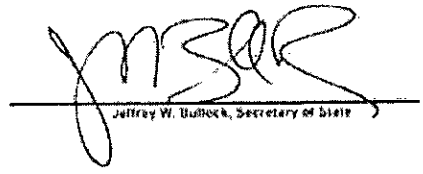
Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DAVITA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTEENTH DAY OF AUGUST, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



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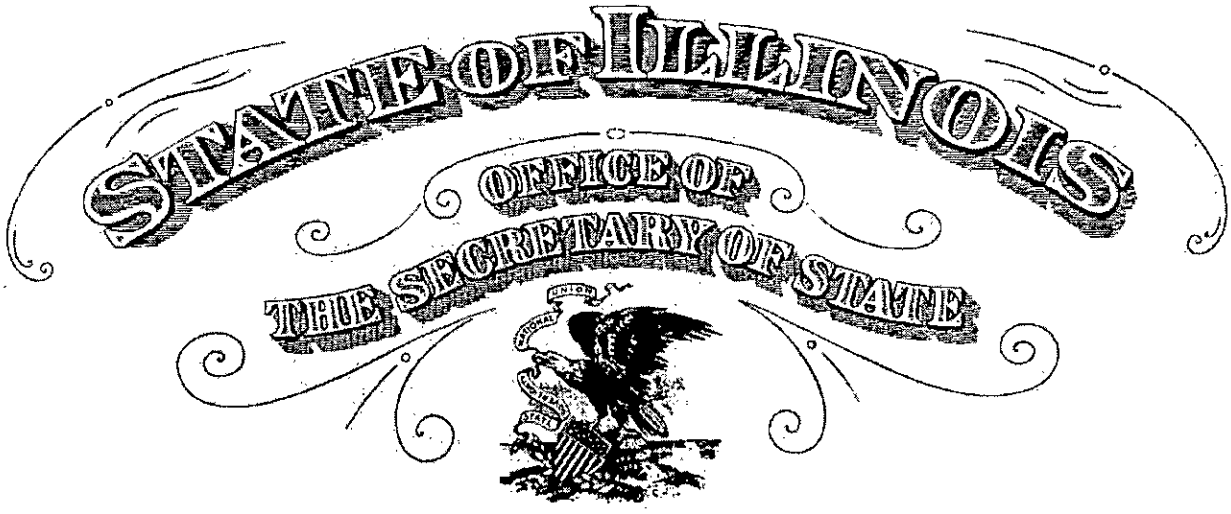
SR# 20186216280

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 203263018

Date: 08-16-18

File Number 5823-002-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 24TH *day of* JULY *A.D.* 2017 .

Jesse White

SECRETARY OF STATE

Authentication #: 1720501710 verifiable until 07/24/2018
Authenticate at: http://www.cyberdriveillinois.com

Section I, Identification, General Information, and Certification
Site Ownership

The letter of intent between Rule Transfer IL Inc. and Total Renal Care, Inc. to lease the property located at 4054 W. Peterson Ave, Chicago, IL 60646 is attached at Attachment – 2.

Attachment - 2

CUSHMAN & WAKEFIELD
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Web: www.cushmanwakefield.com

May 22, 2018

Adam Bell
Imperial Realty Company
4747 W Peterson Ave
Chicago, IL 60646

RE: LOI – 4054 W Peterson Ave, Chicago, IL 60646

Mr. Bell:

Cushman & Wakefield ("C&W") has been authorized by Total Renal Care, Inc. a subsidiary of DaVita, Inc. to assist in securing a lease requirement. DaVita, Inc. is a Fortune 250 company with revenues of approximately $13 billion. They operate 2,278 outpatient dialysis centers across the US and 124 in 10 countries outside the US. Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

PREMISES:	To be constructed single tenant building on 4054 W Peterson Ave, Chicago, IL 60646
TENANT:	Total Renal Care, Inc. or related entity to be named
GUARANTOR:	Davita, Inc corporate guaruntee
LANDLORD:	Rule Transfer IL Inc., an Illinois Corporation
SPACE REQUIREMENTS:	Requirement is for approximately 7,067 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on ANSI/BOMA Z65.1-1996.
PRIMARY TERM:	15 years
BASE RENT:	$31.50/psf NNN with 10% increases every 5 years
ADDITIONAL EXPENSES:	Landlord estimates that the CAMIT expenses during the first year of the term will be $7.00 psf. Tenant's Prorata Share: 100% Tenant shall be responsible for its directly metered utility expenses. Following the first full calendar year, the controllable CAMIT expenses shall not increase more than 3% annually thereafter. Controllable CAMIT expenses exclude real estate taxes, snow and ice removal and common area utilities.
TENANT'S MAINTENANCE:	Tenant, at its sole cost and expense, shall be responsible for the structural and capitalized items (per GAAP standards) for the Property.
POSSESSION AND RENT COMMENCEMENT:	Landlord shall deliver Possession of the building certified pad (as indicated in Exhibit B) to the Tenant within 90 days from the later of lease execution or waiver of Tenant's CON contingency. Landlord shall have 90 days following Tenant's commencement of construction of the interior buildout to complete the Landlord's

exterior Site Development Improvements. Rent Commencement shall be the earlier of the following two events (a) Tenant opening for business and (b) ten (10) months from delivery of Possession by Landlord and Tenant obtaining building permits for its intended improvements. Landlord's delivery obligations hereunder shall be subject to force majeure.

LEASE FORM: Tenant's standard lease form.

USE: The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

Landlord shall warrant Tenant's use is permitted within the premises zoning

PARKING: Tenant requests:

a) A stated parking allocation of four stalls per 1,000 sf or higher if required by code
b) Of the stated allocation, dedicated parking at one stall per 1,000 sf
c) Four handicapped stalls located near the front door to the Premises
d) A patient drop off area, preferably covered

LANDLORD WORK: Any on and off-site improvements (parking lot, landscaping, lighting, sewer, utilities, street, curb, gutter, paving, irrigation, common area lighting, certified pad, etc) as required by the municipality to issue permits for the performance of Landlord's Work or Tenant Work will be incorporated into Landlord's Work as indicated in Exhibit B. Landlord, at its sole cost, will prepare plans, specifications and working drawings for Landlord's Work ("**Landlord's Plans**") and the same will be subject to Tenant's approval. Landlord will perform Landlord's Work in a good and workmanlike manner in conformity with Landlord's Plans, as approved by Tenant. Landlord will promptly repair all latent or patent defects in Landlord's Work, at Landlord's sole cost and expense.

Landlord will be solely responsible for and will pay all impact fees, charges, costs, assessments, and exactions charged, imposed or assessed in connection with the development and construction of the Building or Premises, but not including building permit fees for construction of the Building.

Landlord shall warrant Landlord Work is in good order and repair for one year after lease commencement. Furthermore, Landlord will remain responsible for ensuring the parking and common areas are ADA compliant.

TENANT IMPROVEMENTS: Landlord will pay to Tenant's General Contractor an allowance ("**Tenant Allowance**") for costs incurred by Tenant in connection with the construction of the Building. The Tenant Allowance will be an amount equal to $160.00 per square foot of the Building Floor Area, payable in monthly draws on the first day of each month during the performance of Tenant's Improvements. With each draw request, Tenant's General Contractor shall include sworn statements and waivers of lien to date from Tenant's General Contractor for the amount of the construction draw. At the time of Lease execution, Landlord and Tenant will enter into an escrow

agreement or tri-party agreement providing for the payment of the Tenant Allowance (the "**Security Agreement**") with the title provider of Tenant's choice. If Landlord does not fund the escrow or fails to make any payment of the Tenant Allowance on a timely basis, Tenant will have the right to terminate the Lease, stop construction of Tenant's Improvements and/or offset any unpaid amounts against Rent. The Security Agreement will authorize payment of damages or any applicable portion of Tenant's Costs from the account established for Tenant Allowance.

Tenant will have the right to convert any overage in Tenant Allowance to be used towards Tenant Improvements.

Tenant's plans will be subject to Landlord's approval.

OPTION TO RENEW: Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 15 of the initial term and following each successive five-year option periods.

FAILURE TO DELIVER PREMISES: If Landlord has not delivered Possession of the Premises to the Tenant within 90 days from the later of lease execution or waiver of CON contingency, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 90 day delivery period. Landlord's delivery obligations hereunder shall be subject to force majeure.

HOLDING OVER: Tenant shall be obligated to pay 125% for the then current rate.

TENANT SIGNAGE: Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations.

BUILDING HOURS: As a single Tenant building, Tenant will have access 24 hours a day, seven days a week and will have direct control of HVAC and other utilities.

SUBLEASE/ASSIGNMENT: Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. with the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

ROOF RIGHTS: Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON COMPETE: Landlord agrees not to lease space to another dialysis provider within a two mile radius of Premises.

GOVERNMENTAL COMPLIANCE: Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CUSHMAN & WAKEFIELD

CERTIFICATE OF NEED: Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE: Landlord recognizes C&W as the Tenant's local representative and shall pay a brokerage fee equal to one dollar and twenty five cents ($1.25) per square foot per lease term year, 50% shall be due upon the later of lease signatures or waiver of CON contingency and waiver of any other Tenant lease contingencies, and 50% shall be due upon Rent Commencement. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

CONTINGENCIES: In the event the Landlord is not successful in obtaining all necessary approvals including, but not limited to, zoning and use, municipal approvals, and REAs, the Tenant shall have the right, but not the obligation to terminate the lease.

ENVIRONMENTAL SURVEY: Landlord to deliver Premises free and clear of any environmental issues including but not limited to asbestos and mold. Landlord will provide Tenant with a letter from a certified environmental consultant acceptable to Tenant certifying the Premises as such.

It should be understood that this proposal is subject to the terms of Exhibit A attached hereto. Please complete and return the Potential Referral Source Questionnaire in Exhibit C. The information in this proposal is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew J. Gramlich

CC: DaVita Regional Operational Leadership

CUSHMAN & WAKEFIELD

SIGNATURE PAGE

LETTER OF INTENT: **4054 W Peterson Ave, Chicago, IL 60646**

AGREED TO AND ACCEPTED THIS 15 **DAY OF JUNE 2018**

By: _____

On behalf of Total Renal Care, Inc., a subsidiary of DaVita, Inc.
("Tenant")

AGREED TO AND ACCEPTED THIS 29 **DAY OF JUNE 2018**

By: Rule Transfer IL Inc

Stan Wolkowicki

("Landlord")

CUSHMAN & WAKEFIELD

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR C&W) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR C&W INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. C&W IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES C&W HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.

EXHIBIT B

LANDLORD WORK

Landlord will responsible for all costs associated with the following, but not limited to: the development of the Site and Civil plans, ALTA survey, Geotechnical report with soil borings at building pad and all paved areas, Environmental soil testing and remediation (if required), Environmental Phase I & II report, landscaping/irrigation design and instillation as required.

Certified Pad Work:

1. **Compaction.** The soils where the building is to be located shall be compacted to 95% Standard Proctor at the time measured and certified by soils engineer or its contactor. Reports to be provided to Tenant.

2. **Zoning.** Any Special Use Permit required for the operation of the Premises for the Permitted Use. Landlord shall grant any / all public utility service easements as required.

3. **Utilities.** All utilities to be provided within five (5) feet of the building foundation. Landlord shall be responsible for all tap/connection and impact fees for all utilities. All utilities to be coordinated with Tenant's Architect. Utilities represent: electrical primary; natural gas; domestic water; fire line; sanitary sewer; telephone and cable service (if applicable).

4. **Plumbing.** Landlord shall stub the dedicated domestic water line within five feet of the building foundation. Building sanitary drain size will be determined by Tenant's mechanical engineer based on total combined drainage fixture units (DFU's) for the entire building, but not less than 4 inch diameter. The drain shall be stubbed to the building location coordinated by Tenant at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation and within five feet of the building.

5. **Sprinkler line.** Landlord will provide a sprinkler line to within five feet of the building as required by AHJ or as required by Tenant.

6. **Electrical.** Landlord shall extend the primary to the transformer location selected by the utility. Tenant shall be responsible for the secondary to the Building. Primary service extension includes trenching, conduit, wire, concrete transformer pad and compaction backfilling.

7. **Gas.** Landlord shall provide natural gas service, at a minimum will be rated to have 6' water column pressure and supply 800,000 BTU's. Natural gas pipeline shall be stubbed to within five feet of the building foundation.

8. **Telephone.** Landlord shall provide two (2) 4" PVC underground conduit entrance into Tenant's utility room to serve as a chase way for new telephone service. Entrance conduit locations shall be coordinated with Tenant.

9. **Cable TV/Satellite Dish.** If required, Landlord shall provide a single 2" PVC underground conduit entrance into Tenant's utility room to serve as a chase way for new cable television service. Entrance conduit locations shall be coordinated with Tenant. Tenant shall have the right to place a satellite dish on the roof or wall and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Landlord shall reasonably cooperate and grant right of access with Tenant's satellite or cable provider to ensure there is no delay in acquiring such services.

10. **Tenant's Building Permit.** Landlord shall complete any other work or requirements necessary to complete their permit requirements. Landlord shall close out any/all permits issued for site renovation work to allow Tenant to

obtain a permit for the construction of the Building shell and Tenant Improvements from the authority having jurisdiction or any other applicable authority from which Tenant must receive a permit for its work.

Exterior Site Development Work:

1. **Handicap Accessibility.** Full compliance with ADA and all local jurisdictions' handicap requirements. Landlord shall comply with all ADA regulations affecting the entrance to the Premises, including but not limited to, concrete curb cuts, ramps and walk approaches to/from the parking lot, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) handicapped stalls for units over 20 stations, handicap stalls inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

   Finish floor elevation is to be determined per Tenant's architectural plan in conjunction with Tenant's civil engineering and grading plans. If required, Landlord to construct concrete ramp of minimum 5' width, sloped per ADA requirement, provide safety rails if needed, provide gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be troweled for slip resistant finish condition according to accessible standards.

2. **Site Development Work Scope Requirements:**
   Civil engineering construction plans are to include necessary details to comply with municipal standards. Plans will be submitted electronically to Tenant's Architect for coordination purposes. Site development is to include the following:
   - Utility extensions, service entrance locations, inspection manholes.
   - Parking lot design, stall sizes per municipal standard in conformance to zoning requirement; Asphalt design to accommodate standard vehicles and delivery vehicles.
   - Site grading with storm water management control measures (detention/retention/restrictions per calculations); Snow storage identification;
   - Refuse enclosure location & construction details for trash and recycling; Enclosure sized to accommodate dual 6 CY dumpsters;
   - Patient drop off area to accommodate Tenant's canopy;
   - Handicap stall location to be as close to front entrance as possible;
   - Side walk placement for patron access, delivery via service entrance;
   - Concrete curbing for greenbelt management;
   - Site lighting coverage over site and entrances;
   - Conduits for Tenant's signage;
   - Site and parking to accommodate a 50' long semi-tractor trailer truck or greater for delivery access to service entrance;
   - Ramps and curb depressions; Street driveway entrance curb cut;
   - Landscaping shrub and turf as required per municipality, designed by a landscape architect;
   - Irrigation system if Landlord so desires and will be designed by landscape architect and approved by planning department; Irrigation details and water service design;
   - Construction details, specifications/standards of installation and legends;
   - Final grade will be sloped away from Building.

3. **Refuse Enclosure.** Tenant will have a regular refuse and a recycle dumpster. Landlord to provide a minimum 6" thick reinforced concrete pad approximate 220 SF (approximate size of 11' x 20' based on Tenant's requirements. Concrete apron to accommodate dumpster and vehicle weight. Enclosure materials and design to be constructed as required by local municipal codes.

4. **Generator.** Landlord to allow a generator to be installed onsite if required by code or Tenant chooses to provide one.

5. **Site Lighting.** Landlord to provide adequate building mounted lighting per code and to illuminate all pathways, and building access points readied for connection into Tenant's power panel. Location of pole fixtures per Landlord's lighting foot-candle illumination plan to maximize illumination coverage across site. Parking lot lighting to include a timer (to be programmed to Tenant's hours of operation) in line with a photocell to control operation. Parking lot lighting shall be connected to and powered by Landlord house panel, (if multi-tenant building) and equipped with a code compliant 90 minute battery pack up at all access points.

6. **Parking Lot.** Landlord shall provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, asphalt symbol markings and concrete parking bumpers. Bumpers to be firmly spike anchored in place onto the asphalt per stall alignment. Bumpers not required in locations of vertical concrete curbing. Parking lot aisles to receive traffic directional arrows. Asphalt wearing and binder course to meet geographical location design requirements for parking area, refuse enclosure approach and for truck delivery drive ways.

CUSHMAN & WAKEFIELD

EXHIBIT C

POTENTIAL REFERAL SOURCE QUESTIONAIRRE

RE: 4054 W Peterson Ave, Chicago, IL 60646

(i) Is Landlord an individual or entity in any way involved in the healthcare business, including, but not limited to, a physician; physician group; hospital; nursing home; home health agency; or manufacturer, distributor or supplier of healthcare products or pharmaceuticals;

___ Yes ___X___ No

(ii) Is the immediate family member of the Landlord an individual involved in the healthcare business, or

___ Yes ___X___ No

(iii) Is the Landlord an individual or entity that directly or indirectly owns or is owned by a healthcare-related entity; or

___ Yes ___X___ No

(iv) Is the Landlord an entity directly or indirectly owned by an individual in the healthcare business or an immediate family member of such an individual?

___ Yes ___X___ No

Shai Wolkowicki
Rule Transfer IL Inc.

By: Rule Transfer IL Inc

Print: Shai Wolkowicki

Its: Vice President

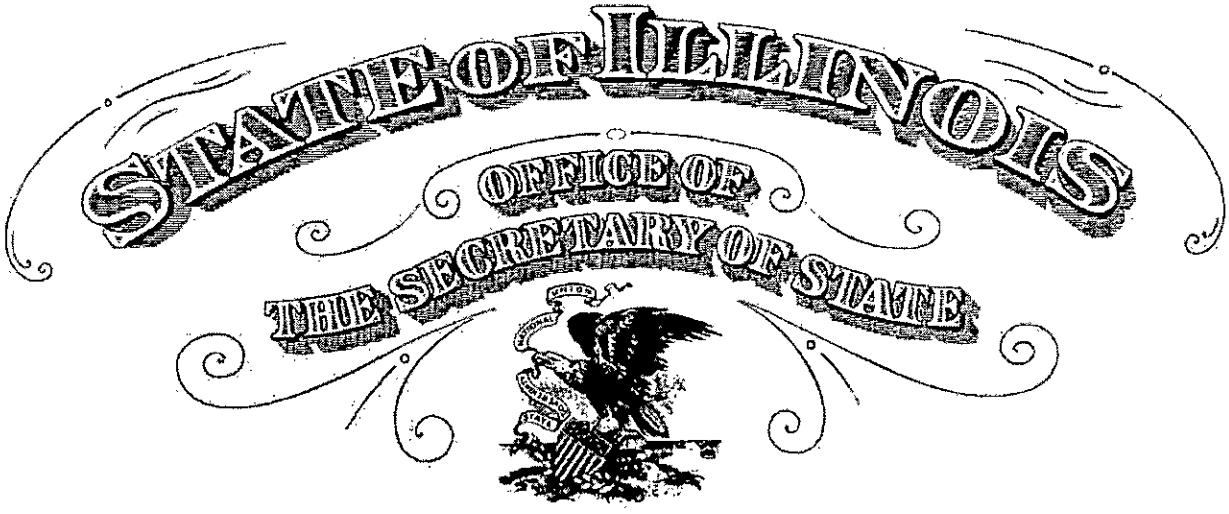
Date: 06/29/18

Section I, Identification, General Information, and Certification
Operating Entity/Licensee

The Illinois Certificate of Good Standing for Total Renal Care, Inc. is attached at Attachment – 3.

Attachment - 3

File Number 5823-002-2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

TOTAL RENAL CARE, INC., INCORPORATED IN CALIFORNIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MARCH 10, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 24TH *day of* JULY *A.D.* 2017 .

Authentication #: 1720501710 verifiable until 07/24/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

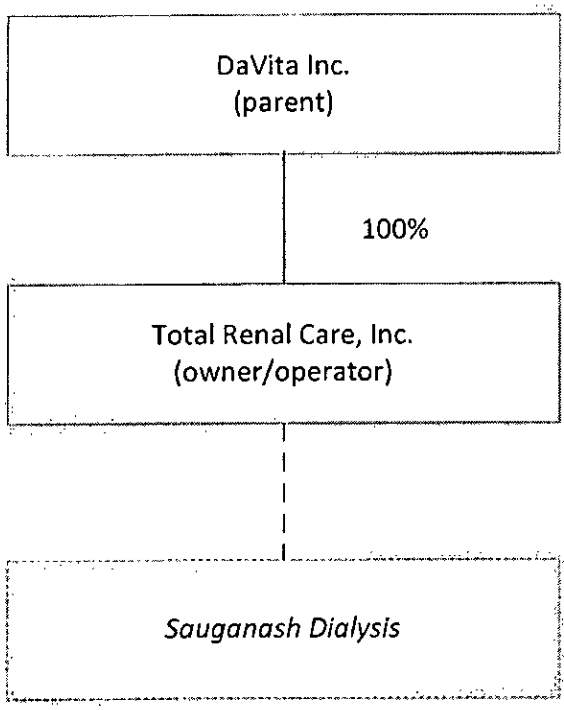
SECRETARY OF STATE

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart for DaVita Inc., Total Renal Care, Inc. and Sauganash Dialysis is attached at Attachment – 4.

Attachment - 4

ORGANIZATIONAL STRUCTURE



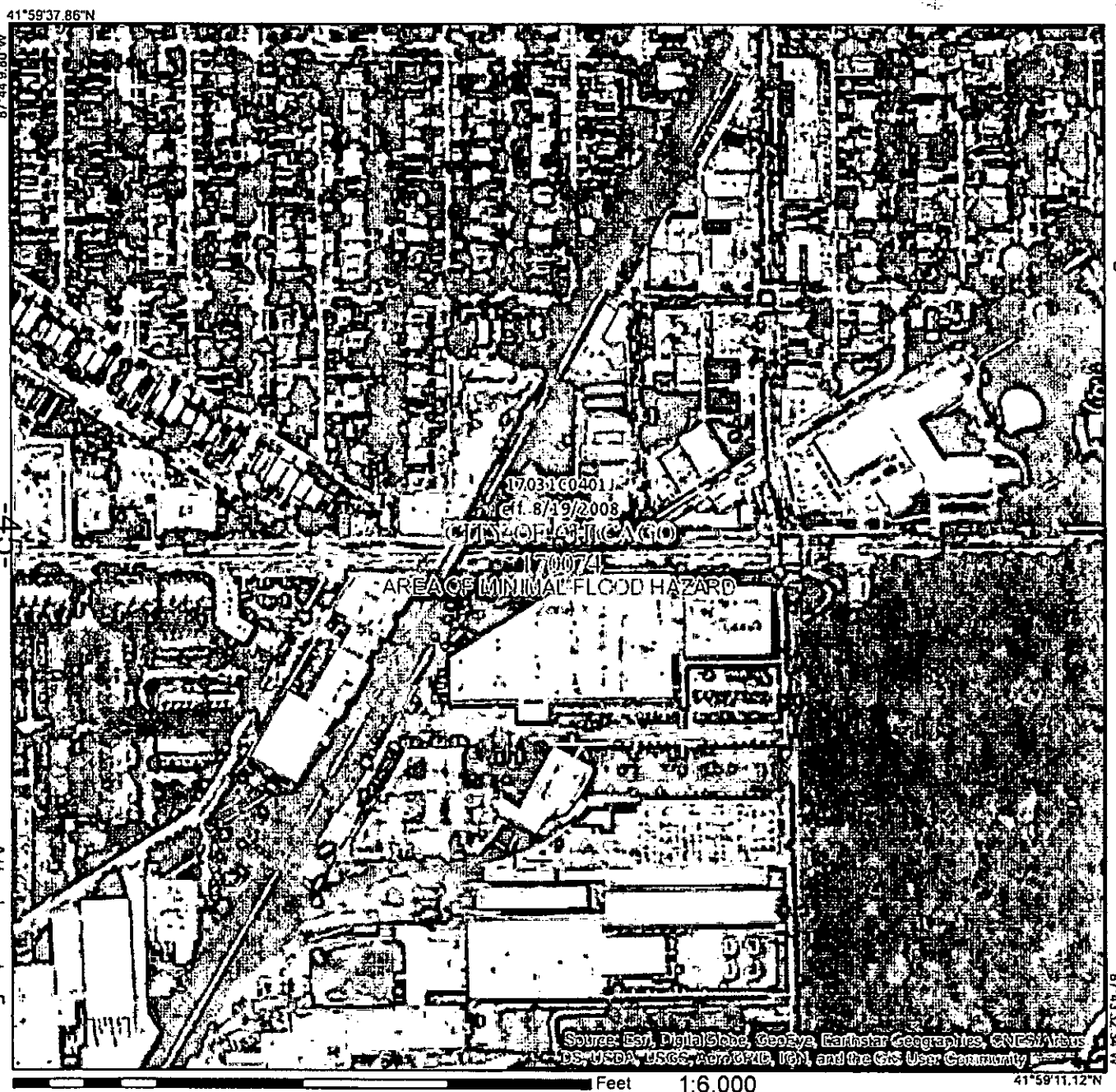
ATTACHMENT - 4

Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the proposed dialysis clinic complies with the requirements of Illinois Executive Order #2006-5. The proposed dialysis clinic will be located at 4054 W. Peterson Ave, Chicago, IL 60646. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5. The interactive map for Panel 17031C0401J reveals that this area is not included in the flood plain.

National Flood Hazard Layer FIRMette

FEMA



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS
- Without Base Flood Elevation (BFE) *Zone A, V, A99*
- With BFE or Depth
- Regulatory Floodway *Zone AE, AO, AH, VE, AR*

OTHER AREAS OF FLOOD HAZARD
- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile *Zone X*
- Future Conditions 1% Annual Chance Flood Hazard *Zone X*
- Area with Reduced Flood Risk due to Levee. See Notes. *Zone X*
- Area with Flood Risk due to Levee *Zone D*

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard *Zone X*
- Effective LOMRs
- Area of Undetermined Flood Hazard *Zone D*

GENERAL STRUCTURES
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES
- 20.2 Cross Sections with 1% Annual Chance
- 17.5 Water Surface Elevation
- Coastal Transect
- 10 Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

N

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/23/2018 at 5:38:47 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

Cook County
Chicago
CON - Demolition and New Construction to Establish a 12-Station Dialysis Center
4054 W. Peterson Ave.
SHPO Log #012052518

July 3, 2018

Anne Cooper
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606-1599

Dear Ms. Cooper:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Section I, Identification, General Information, and Certification
Project Costs and Sources of Funds

Table 1120.110			
Project Cost	**Clinical**	**Non-Clinical**	**Total**
New Construction Contracts	$1,559,184		$1,559,184
Contingencies	$155,918		$155,918
Architectural/Engineering Fees	$127,206		$127,206
Consulting and Other Fees	$38,000		$38,000
Moveable and Other Equipment			
Communications	$105,157		$105,157
Water Treatment	$140,500		$140,500
Bio-Medical Equipment	$15,940		$15,940
Clinical Equipment	$196,824		$196,824
Clinical Furniture/Fixtures	$22,335		$22,335
Lounge Furniture/Fixtures	$3,855		$3,855
Storage Furniture/Fixtures	$6,862		$6,862
Business Office Fixtures	$35,645		$35,645
General Furniture/Fixtures	$36,500		$36,500
Signage	$18,200		$18,200
Total Moveable and Other Equipment	$581,818		$581,818
Fair Market Value of Leased Space	$2,216,563		$2,216,563
Total Project Costs	**$4,678,689**		**$4,678,689**

Section I, Identification, General Information, and Certification
Project Status and Completion Schedules

The Applicants anticipate project completion within approximately **24** months of project approval.

Further, although the Letter of Intent attached at Attachment – 2 provides for project obligation to occur after permit issuance, the Applicants will begin negotiations on a definitive lease agreement for the clinic; with the intent that any lease executed prior to permit issuance will contain a clause stating that the effectiveness of the lease is contingent upon CON permit issuance.

Section I, Identification, General Information, and Certification
Current Projects

DaVita Current Projects			
Project Number	**Name**	**Project Type**	**Completion Date**
16-033	Brighton Park Dialysis	Establishment	04/30/2019
16-036	Springfield Central Dialysis	Relocation	03/31/2019
16-051	Whiteside Dialysis	Relocation	03/31/2019
17-013	Geneva Crossing	Establishment	07/31/2020
17-014	Rutgers Park Dialysis	Establishment	06/30/2019
17-016	Salt Creek Dialysis	Establishment	06/30/2019
17-029	Melrose Village Dialysis	Establishment	07/31/2020
17-032	Illini Renal	Relocation/Expansion	05/31/2019
17-040	Edgemont Dialysis	Establishment	05/31/2019
17-049	Northgrove Dialysis	Establishment	07/31/2019
17-053	Ford City Dialysis	Establishment	08/31/2019
17-062	Auburn Park Dialysis	Establishment	02/29/2020
17-063	Hickory Creek Dialysis	Establishment	11/30/2019
17-064	Brickyard Dialysis	Establishment	10/31/2019
17-066	North Dunes Dialysis	Establishment	07/31/2020
17-068	Oak Meadows Dialysis	Establishment	04/30/2020
18-001	Garfield Kidney Center	Relocation	06/30/2020
18-011	Vermilion County Dialysis	Expansion	07/31/2020
18-017	Marshall Square Dialysis	Establishment	07/31/2020
E-055-18	Manteno Dialysis	Change of Ownership	07/01/2019
E-056-18	Presence Resurrection Medical Center Dialysis	Change of Ownership	07/01/2019
E-057-18	Presence St. Mary's Hospital Dialysis	Change of Ownership	07/01/2019

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	$4,678,689		7,067	7,067			
Total Clinical	$4,678,689		7,067	7,067			
NON REVIEWABLE							
Administrative							
Total Non-Reviewable							
TOTAL	$4,678,689		7,067	7,067			

Attachment – 9

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(a), Project Purpose, Background and Alternatives

The Applicants are fit, willing and able, and have the qualifications, background and character to adequately provide a proper standard of health care services for the community. This project is for the establishment of Sauganash Dialysis, 12-station in-center hemodialysis clinic to be located at 4054 West Peterson Avenue, Chicago, Illinois.

DaVita Inc. is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and empowering patients, and community outreach. A copy of DaVita's 2017 Community Care report details DaVita's commitment to quality, patient centric focus and community outreach and was previously included in its Marshall Square Dialysis CON application (Proj. No.18-017). Some key initiatives of DaVita which are covered in that report are also outlined below.

Kidney Disease Statistics

30 million or 15% of U.S. adults are estimated to have CKD.[1] Current data reveals troubling trends, which help explain the growing need for dialysis services:

- Between 1999-2002 and 2011-2014, the overall prevalence estimate for CKD rose from 13.9 to 14.8 percent. The largest relative increase, from 38.2 to 42.6 percent, was seen in those with cardiovascular disease.[2]

- Many studies now show that diabetes, hypertension, cardiovascular disease, higher body mass index, and advancing age are associated with the increasing prevalence of CKD.[3]

- Over six times the number of new patients began treatment for ESRD in 2014 (120,688) versus 1980 (approximately 20,000).[4]

- Over eleven times more patients are now being treated for ESRD than in 1980 (678,383 versus approximately 60,000).[5]

- Increasing prevalence in the diagnosis of diabetes and hypertension, the two major causes of CKD; 44% of new ESRD cases have a primary diagnosis of diabetes; 28% have a primary diagnosis of hypertension.[6]

- Lack of access to nephrology care for patients with CKD prior to reaching end stage kidney disease which requires renal replacement therapy continues to be a public health concern. Timely CKD care is imperative for patient morbidity and mortality. Beginning in 2005, CMS

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[1] Centers for Disease Control & Prevention, National Center for Chronic Disease Prevention and Health Promotion, National Chronic Kidney Disease Fact Sheet, 2017 (2017) *available at* https://www.cdc.gov/diabetes/pubs/pdf/kidney_factsheet.pdf (last visited Aug. 3, 2018).

[2] US Renal Data System, USRDS 2016 Annual Data Report: Epidemiology of Kidney Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 39 (2016).

[3] Id.

[4] Id. at 215.

[5] Id. at 216.

[6] Id. at 288.

began to collect CKD data on patients beginning dialysis. Based on that data, it appears that little progress has been made to improve access to pre-ESRD kidney care. For example, in 2014, 24% of newly diagnosed ESRD patients had not been treated by a nephrologist prior to beginning dialysis therapy. And among these patients who had not previously been followed by a nephrologist, 63% of those on hemodialysis began therapy with a catheter rather than a fistula. Comparatively, only 34% of those patients who had received a year or more of nephrology care prior to reaching ESRD initiated dialysis with a catheter instead of a fistula.[7]

DaVita's Quality Recognition and Initiatives

Awards and Recognition

- Five Star Quality Ratings. DaVita led the industry for the fourth year by meeting or exceeding Medicare standards in the Centers for Medicare and Medicaid Services ("CMS") Five-Star Quality Rating System ("Five Star"). DaVita had more three, four and five star clinics than it has ever had in the history of the program.

- Quality Incentive Program. DaVita ranked first in outcomes for the fourth straight year in the CMS end stage renal disease ("ESRD") Quality Incentive Program. The ESRD QIP reduces payments to dialysis clinics that do not meet or exceed CMS-endorsed performance standards. DaVita outperformed the other ESRD providers in the industry combined with only 11 percent of clinics receiving adjustments versus 23 percent for the rest of the industry.

- Coordination of Care. On September 5, 2018, America's Physician Groups (APG), formerly CAPG, the leading association in the country representing physician organizations practicing capitated, coordinated care, awarded three of DaVita's medical groups - HealthCare Partners in California, Health Care Partners in Nevada, and The Everett Clinic in Washington - its Standards of Excellence™ Elite Awards. The CAPG's Standards of Excellence™ survey is the industry standard for assessing the delivery of accountable and value based care. Elite awards are achieved by excelling in six domains including Care Management Practices, Information Technology, Accountability and Transparency, Patient-Centered Care, Group Support of Advanced Primary Care and Administrative and Financial Capability.

- Joint Commission Accreditation. In October 2018, DaVita Hospital Services, the first inpatient kidney care service to receive Ambulatory Health Care Accreditation from the Joint Commission, received its second reaccreditation. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. Accreditation allows DaVita to monitor and evaluate the safety of kidney care and apheresis therapies against ambulatory industry standards. The accreditation allows for increased focus on enhancing the quality and safety of patient care; improved clinical outcomes and performance metrics, risk management and survey preparedness. Having set standards in place can further allow DaVita to measure performance and become better aligned with its hospital partners.

- Military Friendly Employer Recognition. DaVita has been repeatedly recognized for its commitment to its employees, particularly its more than 1,700 teammates who are reservists, members of the National Guard, military veterans, and military spouses. Victory Media, publisher of GI Jobs® and *Military Spouse Magazine*, recently recognized DaVita as a 2017 Top Military Friendly Employer for the eighth consecutive year. Companies competed for the elite Military Friendly® Employer title by completing a data-driven survey. Criteria included a benchmark score across key programs and policies, such as the strength of company military recruiting efforts, percentage of new hires with prior military service, retention programs for veterans, and company

[7] Id. at 292-294.

policies on National Guard and Reserve service. On July 16, 2018, the Disabled American Veterans recognized DaVita as the 2018 Outstanding Large Employer of the Year. Since 2010, DaVita has hired over 3,000 veteran teammates, offering transitional support for teammates with a military background. Veteran teammates vary from patient care technicians to the organization's current chief development officer. DaVita has long been committed to honoring retired and active-duty service members and works to help them feel welcome in the community and to transition from life in the military to life as teammates at DaVita.

- Workplace Awards. In April 2018, DaVita was certified by WorldBlu as a "Freedom-Centered Workplace." For the eleventh consecutive year, DaVita appeared on WorldBlu's list, formerly known as "most democratic" workplaces. WorldBlu surveys organizations' teammates to determine the level of democracy practiced. For the sixth consecutive year, DaVita was recognized as a Top Workplace by The Denver Post. In 2018, DaVita was recognized among *Training* magazine's Top 125 for its whole-person learning approach to training and development programs for the fourteenth year in a row. DaVita received a Gold LearningElite award from Chief Learning Officer Magazine, which recognized DaVita's exemplary learning and development programs. DaVita has been among the LearningElite for the past six years, and this was its first Gold level recognition. DaVita was one of more than 100 companies from ten industry sectors to join the inaugural 2018 Bloomberg Gender-Equality Index for creating a majority diverse Board of Directors. The index measures gender equality across internal company statistics, employee policies, external community support and engagement and gender-conscious product offerings. Finally, DaVita has been recognized as one of Fortune® Magazine's Most Admired Companies in 2017 – for the eleventh consecutive year and twelfth year overall.

Quality Initiatives

DaVita has undertaken many initiatives to improve the lives of patients suffering from chronic kidney disease ("CKD") and ESRD. With the ongoing shift from volume to value in healthcare, providers—more than ever—are focusing their attention on generating optimal clinical outcomes in order to enhance patient quality of life. The extensive tools and initiatives that were built into the DaVita Patient-Focused Quality Pyramid help affiliated physicians succeed in this important undertaking. The pyramid serves as a framework for nephrologists to address the complex factors that impact patients, such as mortality, hospitalizations and the patient experience. Complex programs serve as an important tier in the DaVita Patient-Focused Quality Pyramid. They include:

- Clinical initiatives such as preventing missed treatments and managing vascular access, fluid, infection, medications and diabetes.

- Pneumococcal pneumonia and influenza initiatives: Increase pneumonia and influenza vaccination rates.

- Catheter removal: Help patients transition from central venous catheters (CVCs) to arteriovenous (AV) fistulas to reduce risk of hospitalization from infections and blood clots.

- Dialysis transition management: Support patients through any transition of care to improve outcomes and reduce mortality.

DaVita's patient centered quality programs also include the Kidney Smart, IMPACT, CathAway, and transplant assistance programs. These programs and others are described below.

- On June 16, 2016, DaVita announced its partnership with Renal Physicians Association ("RPA") and the American Board of Internal Medicine ("ABIM") to allow DaVita-affiliated nephrologists to earn Maintenance of Certification ("MOC") credits for participating in dialysis unit quality

improvement activities. MOC certification highlights nephrologists' knowledge and skill level for patients looking for high quality care.

- To improve access to kidney care services, DaVita and Northwell Health in New York have joint ventured to serve thousands of patients in Queens and Long Island with integrated kidney care. The joint venture will provide kidney care services in a multi-phased approach, including:

  - Physician education and support
  - Chronic kidney disease education
  - Network of outpatient centers
  - Hospital services
  - Vascular access
  - Integrated care
  - Clinical research
  - Transplant services

The joint venture will encourage patients to better utilize in-home treatment options.

- DaVita's Kidney Smart program helps to improve intervention and education for pre-ESRD patients. Adverse outcomes of CKD can often be prevented or delayed through early detection and treatment. Several studies have shown that early detection, intervention and care of CKD may improve patient outcomes and reduce ESRD as follows:

  (i) Reduced GFR is an independent risk factor for morbidity and mortality. A reduction in the rate of decline in kidney function upon nephrologists' referrals has been associated with prolonged survival of CKD patients,

  (ii) Late referral to a nephrologist has been correlated with lower survival during the first 90 days of dialysis, and

  (iii) Timely referral of CKD patients to a multidisciplinary clinical team may improve outcomes and reduce cost.

A care plan for patients with CKD includes strategies to slow the loss of kidney function, manage comorbidities, and prevent or treat cardiovascular disease and other complications of CKD, as well as ease the transition to kidney replacement therapy. Through the Kidney Smart program, DaVita offers educational services to CKD patients that can help patients reduce, delay, and prevent adverse outcomes of untreated CKD. DaVita's Kidney Smart program encourages CKD patients to take control of their health and make informed decisions about their dialysis care.

- DaVita's IMPACT program seeks to reduce patient mortality rates during the first 90-days of dialysis through patient intake, education and management, and reporting. Through IMPACT, DaVita's physician partners and clinical team have had proven positive results in addressing the critical issues of the incident dialysis patient. The program has helped improve DaVita's overall gross mortality rate, which has fallen 28% in the last 13 years.

- DaVita's CathAway program seeks to reduce the number of patients with central venous catheters ("CVC"). Instead patients receive arteriovenous fistula ("AV fistula") placement. AV fistulas have superior patency, lower complication rates, improved adequacy, lower cost to the healthcare system, and decreased risk of patient mortality compared to CVCs. In July 2003, the Centers for Medicare and Medicaid Services, the End Stage Renal Disease Networks and key providers jointly recommended adoption of a National Vascular Access Improvement Initiative ("NVAII') to increase the appropriate use of AV fistulas for hemodialysis. The CathAway program is designed to comply with NAVII through patient education outlining the benefits for AV fistula

placement and support through vessel mapping, fistula surgery and maturation, first cannulation and catheter removal.

- For more than a decade, DaVita has been investing and growing its integrated kidney care capabilities. Through Patient Pathways, DaVita partners with hospitals to provide faster, more accurate ESRD patient placement to reduce the length of hospital inpatient stays and readmissions. Importantly, Patient Pathways is not an intake program. An unbiased onsite liaison, specializing in ESRD patient care, meets with both newly diagnosed and existing ESRD patients to assess their current ESRD care and provides information about insurance, treatment modalities, outpatient care, financial obligations before discharge, and grants available to ESRD patients. Patients choose a provider/center that best meets their needs for insurance, preferred nephrologists, transportation, modality and treatment schedule.

  DaVita currently partners with over 250 hospitals nationwide through Patient Pathways. Patient Pathways has demonstrated benefits to hospitals, patients, physicians and dialysis centers. Since its creation in 2007, Patient Pathways has impacted over 130,000 patients. The Patient Pathways program reduced overall readmission rates by 18 percent, reduced average patient stay by a half-day, and reduced acute dialysis treatments per patient by 11 percent. Moreover, patients are better educated and arrive at the dialysis clinic more prepared and less stressed. They have a better understanding of their insurance coverage and are more engaged and satisfied with their choice of dialysis clinic. As a result, patients have higher attendance rates, are more compliant with their dialysis care, and have fewer avoidable readmissions.

- Since 1996, Village Health has innovated to become the country's largest renal National Committee for Quality Assurance accredited disease management program. VillageHealth's Integrated Care Management ("ICM") services partners with patients, providers and care team members to focus on the root causes of unnecessary hospitalizations such as unplanned dialysis starts, infection, fluid overload and medication management.

  VillageHealth ICM services for payers and ACOs provide CKD and ESRD population health management delivered by a team of dedicated and highly skilled nurses who support patients both in the field and on the phone. Nurses use VillageHealth's industry-leading renal decision support and risk stratification software to manage a patient's coordinated needs. Improved clinical outcomes and reduced hospital readmission rates have contributed to improved quality of life for patients. As of 2014, VillageHealth ICM has delivered up to a 15 percent reduction in non-dialysis medical costs for ESRD patients, a 15 percent lower year-one mortality rate over a three-year period, and 27 percent fewer hospital readmissions compared to the Medicare benchmark. Applied to DaVita's managed ESRD population, this represents an annual savings of more than $30 million.

- Transplant Education. DaVita has achieved industry-leading clinical outcomes that support patients and helps them to be more clinically prepared for transplantation. Patients are educated about the step-by-step transplant process and requirements, health benefits of a transplant and the transplant center options available to them. The social worker or designee obtains transplant center guidelines and criteria for selection of appropriate candidates and assists transplant candidates with factors that may affect their eligibility, such as severe obesity, adherence to prescribed medicine or therapy, and social/emotional/financial factors related to post-transplant functioning.

  On June 6, 2018, DaVita and the University of Chicago Medicine announced the successful implementation of the Transplant Waitlist Support Program. The program's purpose is to help waitlisted patients remain transplant ready by deploying a technology-enabled solution to proactively and electronically exchange patient information between DaVita and the transplant center. Outdated information can cause a patient to be passed over when a transplant opportunity arises.

- Dialysis Quality Indicators. In an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers: dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.

- Pharmaceutical Compliance. DaVita Rx, the first and largest licensed, full-service U.S. renal pharmacy, focuses on the unique needs of dialysis patients. Since 2005, DaVita Rx has helped improve outcomes by delivering medications to dialysis centers or to patients' homes, making it easier for patients to keep up with their drug regimens. DaVita Rx patients have medication adherence rates greater than 80%, almost double that of patients who fill their prescriptions elsewhere, and are correlated with 40% fewer hospitalizations.

Service to the Community

- DaVita consistently raises awareness of community needs and makes cash contributions to organizations aimed at improving access to kidney care. DaVita provides significant funding to kidney disease awareness organizations such as the Kidney TRUST, the National Kidney Foundation, the American Kidney Fund, and several other organizations. DaVita Way of Giving program donated $2.2 million in 2017 to locally based charities across the United States. Its own employees, or members of the "DaVita Village," assist in these initiatives. In 2018, 571 riders participated in Tour DaVita, DaVita's annual charity bike ride, which raised $1.1 million to support Bridge of Life. Bridge of Life serves thousands of men, women and children around the world through kidney care, primary care, education and prevention and medically supported camps for kids.

- DaVita is committed to sustainability and reducing its carbon footprint. It is the only kidney care company recognized by the Environmental Protection Agency for its sustainability initiatives. In 2010, DaVita opened the first LEED-certified dialysis center in the U.S. Newsweek Green Rankings recognized DaVita as a 2017 Top Green Company in the United States, and it has appeared on the list every year since the inception of the program in 2009. In 2018, DaVita was recognized for the second time by the Dow Jones Sustainability Index (DJSI) as one of only seven U.S. based companies in the Health Care Providers and Services category on this year's DJSI World Index. Since 2013, DaVita has saved 645 million gallons of water through optimization projects. Through toner and cell phone recycling programs, more than $126,000 has been donated to Bridge of Life. In 2016, Village Green, DaVita's corporate sustainability program, launched a formal electronic waste program and recycled more than 113,000 pounds of e-waste.

  In 2018, the U.S. Department of Energy ("DOE") recognized DaVita in its Advanced Rooftop Unit ("RTU") Campaign and awarded DaVita the Communities Award in the Excellence in Corporate Social Responsibility category. DaVita was honored for its leadership in installing more energy efficient RTUs (heating and cooling units) in commercial buildings. DaVita was recognized for the highest number of automated fault detection and diagnostic ("AFDD") installations on RTUs, having installed 4,889 AFDD systems. DaVita was recognized by the Communitas Awards in Communities Award in the Excellence in Corporate Social Responsibility for its sustainability efforts, which include, saving 643 million gallons of water since 2013 through conservation efforts at dialysis centers; diverting 354,610 pounds of electronic waste from landfills since 2016; and donating more than 30,000 meals to local shelters since 2016 through food waste recovery efforts.

- DaVita does not limit its community engagement to the U.S. alone. In 2017, Bridge of Life, the primary program of DaVita Village Trust, an independent 501(c)(3) nonprofit organization, completed a total of 24 international medical missions and 25 domestic screenings, ultimately impacting nearly 14,000 lives. More than 200 DaVita volunteers supported these missions, impacting more than 110,000 men, women and children. In 2017, Bridge of Life established a Community Health Worker Program where they trained 13 individuals in Haiti and Nicaragua, allowing Bridge of Life to refer patients to local medical staff with their in-country partners and to ensure those patients receive continued follow-up care. It also developed an electronic medical record (EMR) system, allowing Bridge of Life to go paperless and to enter and maintain patient data more quickly and efficiently. In 2018, Bridge of Life partnered with the Syrian American Medical Society ("SAMS") to screen Syrian refugees in Irbid, Jordon for hypertension, diabetes and kidney disease and to provide health education.

Other Section 1110.230(a) Requirements

Neither the Centers for Medicare and Medicaid Services nor the Illinois Department of Public Health ("IDPH") has taken any adverse action involving civil monetary penalties or restriction or termination of participation in the Medicare or Medicaid programs against any of the applicants, or against any Illinois health care clinics owned or operated by the Applicants, directly or indirectly, within three years preceding the filing of this application.

A list of health care clinics owned or operated by the Applicants in Illinois is attached at Attachment – 11A. Dialysis clinics are currently not subject to State Licensure in Illinois.

Certification that no adverse action has been taken against either of the Applicants or against any health care clinics owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11B.

An authorization permitting the Illinois Health Facilities and Services Review Board ("State Board") and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11B.

DaVita Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Adams County Dialysis	436 N 10TH ST		QUINCY	ADAMS	IL	62301-4152	14-2711
Alton Dialysis	3511 COLLEGE AVE		ALTON	MADISON	IL	62002-5009	14-2619
Arlington Heights Renal Center	17 WEST GOLF ROAD		ARLINGTON HEIGHTS	COOK	IL	60005-3905	14-2628
Auburn Park Dialysis	7939 SOUTH WESTERN AVENUE		CHICAGO	COOK	IL	60620	
Barrington Creek	28160 W. NORTHWEST HIGHWAY		LAKE BARRINGTON	LAKE	IL	60010	14-2736
Belvidere Dialysis	1755 BELOIT ROAD		BELVIDERE	BOONE	IL	61008	14-2795
Benton Dialysis	1151 ROUTE 14 W		BENTON	FRANKLIN	IL	62812-1500	14-2608
Beverly Dialysis	8109 SOUTH WESTERN AVE		CHICAGO	COOK	IL	60620-5939	14-2638
Big Oaks Dialysis	5623 W TOUHY AVE		NILES	COOK	IL	60714-4019	14-2712
Brickyard Dialysis	2640 NORTH NARRAGANSETT		CHICAGO	COOK	IL	60639	
Brighton Park Dialysis	**4729 SOUTH CALIFORNIA AVE**		CHICAGO	COOK	IL	60632	
Buffalo Grove Renal Center	1291 W. DUNDEE ROAD		BUFFALO GROVE	COOK	IL	60089-4009	14-2650
Calumet City Dialysis	1200 SIBLEY BOULEVARD		CALUMET CITY	COOK	IL	60409	14-2817
Carpentersville Dialysis	2203 RANDALL ROAD		CARPENTERSVILLE	KANE	IL	60110-3355	14-2598
Centralia Dialysis	1231 STATE ROUTE 161		CENTRALIA	MARION	IL	62801-6739	14-2609
Chicago Heights Dialysis	177 W JOE ORR RD	STE B	CHICAGO HEIGHTS	COOK	IL	60411-1733	14-2635
Chicago Ridge Dialysis	10511 SOUTH HARLEM AVE		WORTH	COOK	IL	60482	14-2793
Churchview Dialysis	5970 CHURCHVIEW DR		ROCKFORD	WINNEBAGO	IL	61107-2574	14-2640
Cobblestone Dialysis	934 CENTER ST	STE A	ELGIN	KANE	IL	60120-2125	14-2715
Collinsville Dialysis	101 LANTER COURT	BLDG 2	COLLINSVILLE	MADISON	IL	62234	
Country Hills Dialysis	4215 W 167TH ST		COUNTRY CLUB HILLS	COOK	IL	60478-2017	14-2575
Crystal Springs Dialysis	720 COG CIRCLE		CRYSTAL LAKE	MCHENRY	IL	60014-7301	14-2716
Decatur East Wood Dialysis	794 E WOOD ST		DECATUR	MACON	IL	62523-1155	14-2599
Dixon Kidney Center	1131 N GALENA AVE		DIXON	LEE	IL	61021-1015	14-2651
Driftwood Dialysis	1808 SOUTH WEST AVE		FREEPORT	STEPHENSON	IL	61032-6712	14-2747
Edgemont Dialysis	8 VIEUX CARRE DRIVE		EAST ST. LOUIS	ST. CLAIR	IL	62203	
Edwardsville Dialysis	235 S BUCHANAN ST		EDWARDSVILLE	MADISON	IL	62025-2108	14-2701
Effingham Dialysis	904 MEDICAL PARK DR	STE 1	EFFINGHAM	EFFINGHAM	IL	62401-2193	14-2580
Emerald Dialysis	710 W 43RD ST		CHICAGO	COOK	IL	60609-3435	14-2529

DaVita Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Evanston Renal Center	1715 CENTRAL STREET		EVANSTON	COOK	IL	60201-1507	14-2511
Ford City Dialysis	8159 S CICERO AVENUE		CHICAGO	COOK	IL	60652	
Forest City Rockford	4103 W STATE ST		ROCKFORD	WINNEBAGO	IL	61101	
Glenview Dialysis	2601 Compass Road	Suite 145	Glenview	Cook	IL	60026	
Grand Crossing Dialysis	7319 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60619-1909	14-2728
Freeport Dialysis	1028 S KUNKLE BLVD		FREEPORT	STEPHENSON	IL	61032-6914	14-2642
Foxpoint Dialysis	1300 SCHAEFER ROAD		GRANITE CITY	MADISON	IL	62040	
Garfield Kidney Center	3250 WEST FRANKLIN BLVD		CHICAGO	COOK	IL	60624-1509	14-2777
Geneva Crossing Dialysis	540 South Schmale Road		Carol Stream	DuPage	IL	60188	
Granite City Dialysis Center	9 AMERICAN VLG		GRANITE CITY	MADISON	IL	62040-3706	14-2537
Harvey Dialysis	16641 S HALSTED ST		HARVEY	COOK	IL	60426-6174	14-2698
Hazel Crest Renal Center	3470 WEST 183rd STREET		HAZEL CREST	COOK	IL	60429-2428	14-2622
Hickory Crrek Dialysis	214 COLLINS STREET		JOLIET	WILL	IL	60432	
Huntley Dialysis	10350 HALIGUS ROAD		HUNTLEIY	MCHENRY	IL	60142	
Illini Renal Dialysis	507 E UNIVERSITY AVE		CHAMPAIGN	CHAMPAIGN	IL	61820-3828	14-2633
Irving Park Dialysis	4323 N PULASKI RD		CHICAGO	COOK	IL	60641	
Jacksonville Dialysis	1515 W WALNUT ST		JACKSONVILLE	MORGAN	IL	62650-1150	14-2581
Jerseyville Dialysis	917 S STATE ST		JERSEYVILLE	JERSEY	IL	62052-2344	14-2636
Kankakee County Dialysis	581 WILLIAM R LATHAM SR DR	STE 104	BOURBONNAIS	KANKAKEE	IL	60914-2439	14-2685
Kenwood Dialysis	4259 S COTTAGE GROVE AVENUE		CHICAGO	COOK	IL	60653	14-2717
Lake County Dialysis Services	565 LAKEVIEW PARKWAY	STE 176	VERNON HILLS	LAKE	IL	60061	14-2552
Lake Villa Dialysis	37809 N IL ROUTE 59		LAKE VILLA	LAKE	IL	60046-7332	14-2666
Lawndale Dialysis	3934 WEST 24TH ST		CHICAGO	COOK	IL	60623	14-2768
Lincoln Dialysis	2100 WEST FIFTH		LINCOLN	LOGAN	IL	62656-9115	14-2582
Lincoln Park Dialysis	2484 N ELSTON AVE		CHICAGO	COOK	IL	60647	14-2528
Litchfield Dialysis	915 ST FRANCES WAY		LITCHFIELD	MONTGOMERY	IL	62056-1775	14-2583
Little Village Dialysis	2335 W CERMAK RD		CHICAGO	COOK	IL	60608-3811	14-2668
Logan Square Dialysis	2838 NORTH KIMBALL AVE		CHICAGO	COOK	IL	60618	14-2534
Loop Renal Center	1101 SOUTH CANAL STREET		CHICAGO	COOK	IL	60607-4901	14-2505
Machesney Park Dialysis	7170 NORTH PERRYVILLE ROAD		MACHESNEY PARK	WINNEBAGO	IL	61115	14-2806
Macon County Dialysis	1090 W MCKINLEY AVE		DECATUR	MACON	IL	62526-3208	14-2584

DaVita Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Marengo City Dialysis	910 GREENLEE STREET	STE B	MARENGO	MCHENRY	IL	60152-8200	14-2643
Marion Dialysis	324 S 4TH ST		MARION	WILLIAMSON	IL	62959-1241	14-2570
Marshall Square Dialysis	2950-3010 West 26th Street		Chicago	COOK	IL	60623	
Maryville Dialysis	2130 VADALABENE DR		MARYVILLE	MADISON	IL	62062-5632	14-2634
Mattoon Dialysis	6051 DEVELOPMENT DRIVE		CHARLESTON	COLES	IL	61938-4652	14-2585
Melrose Village	1985 North Mannheim Road		Melrose Park	Cook	IL	60160	
Metro East Dialysis	5105 W MAIN ST		BELLEVILLE	SAINT CLAIR	IL	62226-4728	14-2527
Montclare Dialysis Center	7009 W BELMONT AVE		CHICAGO	COOK	IL	60634-4533	14-2649
Montgomery County Dialysis	1822 SENATOR MILLER DRIVE		HILLSBORO	MONTGOMERY	IL	62049	14-2813
Mount Vernon Dialysis	1800 JEFFERSON AVE		MOUNT VERNON	JEFFERSON	IL	62864-4300	14-2541
Mt. Greenwood Dialysis	3401 W 111TH ST		CHICAGO	COOK	IL	60655-3329	14-2660
North Dunes Dialysis	3113 North Lewis Avenue		Waukegan	Lake	IL	60087	
Northgrove Dialysiss	2491 INDUSTRIAL DRIVE		HIGHLAND	MADISON	IL	62249	
O'Fallon Dialysis	1941 FRANK SCOTT PKWY E	STE B	O'FALLON	ST. CLAIR	IL	62269	14-2818
Oak Meadows Dialysis	5020 West 95th Street		OAK LAWN	Cook	IL	60453	
Olney Dialysis Center	117 N BOONE ST		OLNEY	RICHLAND	IL	62450-2109	14-2674
Olympia Fields Dialysis Center	4557B LINCOLN HWY	STE B	MATTESON	COOK	IL	60443-2318	14-2548
Palos Park Dialysis	13155 S LaGRANGE ROAD		ORLAND PARK	COOK	IL	60462-1162	14-2732
Park Manor Dialysis	95TH STREET & COLFAX AVENUE		CHICAGO	COOK	IL	60617	
Pittsfield Dialysis	640 W WASHINGTON ST		PITTSFIELD	PIKE	IL	62363-1350	14-2708
Red Bud Dialysis	LOT 4 IN 1ST ADDITION OF EAST INDUSTRIAL PARK		RED BUD	RANDOLPH	IL	62278	14-2772
Robinson Dialysis	1215 N ALLEN ST	STE B	ROBINSON	CRAWFORD	IL	62454-1100	14-2714
Rockford Dialysis	3339 N ROCKTON AVE		ROCKFORD	WINNEBAGO	IL	61103-2839	14-2647
Roxbury Dialysis Center	622 ROXBURY RD		ROCKFORD	WINNEBAGO	IL	61107-5089	14-2665
Rushville Dialysis	112 SULLIVAN DRIVE		RUSHVILLE	SCHUYLER	IL	62681-1293	14-2620
Rutgers Park Dialysis	8455 WOODWARD AVENUE		WOODRIDGE	DUPAGE	IL	60517	
Salt Creek Dialysis	196 WEST NORTH AVENUE		VILLA PARK	DUPAGE	IL	60181	

DaVita Inc.							
Illinois Facilities							
Regulatory Name	Address 1	Address 2	City	County	State	Zip	Medicare Certification Number
Sauget Dialysis	2061 GOOSE LAKE RD		SAUGET	SAINT CLAIR	IL	62206-2822	14-2561
Schaumburg Renal Center	1156 S ROSELLE ROAD		SCHAUMBURG	COOK	IL	60193-4072	14-2654
Shiloh Dialysis	1095 NORTH GREEN MOUNT RD		SHILOH	ST CLAIR	IL	62269	14-2753
Silver Cross Renal Center - Morris	1551 CREEK DRIVE		MORRIS	GRUNDY	IL	60450	14-2740
Silver Cross Renal Center - New Lenox	1890 SILVER CROSS BOULEVARD		NEW LENOX	WILL	IL	60451	14-2741
Silver Cross Renal Center - West	1051 ESSINGTON ROAD		JOLIET	WILL	IL	60435	14-2742
South Holland Renal Center	16136 SOUTH PARK AVENUE		SOUTH HOLLAND	COOK	IL	60473-1511	14-2544
Springfield Central Dialysis	932 N RUTLEDGE ST		SPRINGFIELD	SANGAMON	IL	62702-3721	14-2586
Springfield Montvale Dialysis	2930 MONTVALE DR	STE A	SPRINGFIELD	SANGAMON	IL	62704-5376	14-2590
Springfield South	2930 SOUTH 6th STREET		SPRINGFIELD	SANGAMON	IL	62703	14-2733
Stonecrest Dialysis	1302 E STATE ST		ROCKFORD	WINNEBAGO	IL	61104-2228	14-2615
Stony Creek Dialysis	9115 S CICERO AVE		OAK LAWN	COOK	IL	60453-1895	14-2661
Stony Island Dialysis	8725 S STONY ISLAND AVE		CHICAGO	COOK	IL	60617-2709	14-2718
Sycamore Dialysis	2200 GATEWAY DR		SYCAMORE	DEKALB	IL	60178-3113	14-2639
Taylorville Dialysis	901 W SPRESSER ST		TAYLORVILLE	CHRISTIAN	IL	62568-1831	14-2587
Tazewell County Dialysis	1021 COURT STREET		PEKIN	TAZEWELL	IL	61554	14-2767
Timber Creek Dialysis	1001 S. ANNIE GLIDDEN ROAD		DEKALB	DEKALB	IL	60115	14-2763
Tinley Park Dialysis	16767 SOUTH 80TH AVENUE		TINLEY PARK	COOK	IL	60477	14-2810
TRC Children's Dialysis Center	2611 N HALSTED ST		CHICAGO	COOK	IL	60614-2301	14-2604
Vandalia Dialysis	301 MATTES AVE		VANDALIA	FAYETTE	IL	62471-2061	14-2693
Vermilion County Dialysis	22 WEST NEWELL ROAD		DANVILLE	VERMILION	IL	61834	14-2812
Washington Heights Dialysis	10620 SOUTH HALSTED STREET		CHICAGO	COOK	IL	60628	
Waukegan Renal Center	1616 NORTH GRAND AVENUE	STE C	Waukegan	COOK	IL	60085-3676	14-2577
Wayne County Dialysis	303 NW 11TH ST	STE 1	FAIRFIELD	WAYNE	IL	62837-1203	14-2688
West Lawn Dialysis	7000 S PULASKI RD		CHICAGO	COOK	IL	60629-5842	14-2719
West Side Dialysis	1600 W 13TH STREET		CHICAGO	COOK	IL	60608	14-2783
Whiteside Dialysis	2600 N LOCUST	STE D	STERLING	WHITESIDE	IL	61081-4602	14-2648
Woodlawn Dialysis	5060 S STATE ST		CHICAGO	COOK	IL	60609	14-2310

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 IAC 1130.140 has been taken against any in-center dialysis facility owned or operated by DaVita Inc. or Total Renal Care, Inc. in the State of Illinois during the three year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Corporate Secretary, DaVita Inc.
Secretary of Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2018

See Attached

_____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On March 13, 2018 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
COMM. #2226844
Notary Public - California
Los Angeles County
My Comm. Expires Jan. 25, 2022

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL CON Application (DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

Document Date: March 13, 2018 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

Section III, Background, Purpose of the Project, and Alternatives – Information Requirements
Criterion 1110.230(b) – Background, Purpose of the Project, and Alternatives

Purpose of Project

1. There is currently a need for 9 hemodialysis stations in the City of Chicago, the only Health Service Area in the State with a need for dialysis stations. This project is intended to address that need and will improve access to life sustaining dialysis services to the residents residing on the north side of Chicago. The Sauganash geographic service area is one of the most ethnically diverse areas in Chicago. Since the 1970s, it has been a point of entry for immigrants from Latin America and Asia. The community is 28% Hispanic and 11% Asian. Due to this large immigrant population, cultural barriers to access health care are high. These barriers include time and availability of providers, characteristics of healthcare personnel and patient-provider communications.[8] Limited communication and perceived lack of linguistic and cultural competence from providers can lead to mistrust of the health care system and make it difficult for immigrants to establish relationships with primary care physicians.[9] Provider communications and an ability to connect with your primary care provider are critical for optimal healthcare, particularly when treating complex chronic illnesses. Due to cultural and linguistic barriers faced by members of this community, the Health Resources & Services Administration ("HRSA") has designated this area a Medically Underserved Population. See Attachment – 12A.

   Further, the incidence of ESRD in the Hispanic community is higher than in the general population. The ESRD incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanic individuals. Other factors that contribute to a higher disease burden are family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. Access to health care, the quality of care received, and barriers due to language and health literacy also play a role in the higher incident rates.[10]

   Given these factors, readily accessible dialysis services are imperative for the health of the residents living in Sauganash and the surrounding communities. There are 14 existing or approved dialysis clinics within 5 miles of the proposed Sauganash Dialysis (the "Sauganash GSA"). Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

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8 Joan Edward and Vicki Hines-Martin, Examining Perceived Barriers to Healthcare Access for Hispanics in a Southern Urban Community, 5 J of Hospital Administration 102, 104 (2016) *available at* https://www.researchgate.net/profile/Vicki_Hines-Martin/publication/291392351_Examining_perceived_barriers_to_healthcare_access_for_Hispanics_in_a_southern_urban_community/links/56ab9feb08ae8f386569c55b/Examining-perceived-barriers-to-healthcare-access-for-Hispanics-in-a-southern-urban-community.pdf?origin=publication_detail (last visited Jul 9, 2018).

9 Id. at 102-103.

10 Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem,* Ethnicity Dis. 19(4), 466-72 (2009) *available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3587111/ (last visited Sep. 29, 2017).

NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Louisa Tammy Ho, M.D. anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion.

Finally, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261 stations. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The existing clinics will not have adequate capacity to treat NorthShore Medical Group's projected patients. The proposed Sauganash Dialysis is needed to ensure ESRD patients on the north side of Chicago have adequate access to dialysis services that are essential to their well-being.

2. A map of the market area for the proposed clinic is attached at Attachment – 12B. The market area encompasses an approximate 5 mile radius around the proposed clinic. The boundaries of the market area are as follows:

- North approximately 5 miles to Wilmette, IL.
- Northeast approximately 5 miles to Lake Michigan, Chicago IL.
- East approximately 5 miles to Lake Michigan, Chicago, IL.
- Southeast approximately 5 miles to Lincoln Park, in Chicago, IL.
- South approximately 5 miles to Galewood in Chicago, IL.
- Southwest approximately5 miles to Elmwood Park, IL.
- West approximately 5 miles to Rosemont, IL.
- Northwest 5 miles to Niles, IL.

The purpose of this project is to improve access to life sustaining dialysis to residents of the north side of Chicago, Illinois and the surrounding area.

3. There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018.. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

Further, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261 stations. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The existing clinics will not have adequate capacity to treat NorthShore Medical Group's projected patients. The proposed Sauganash Dialysis is needed to ensure there are sufficient dialysis stations to accommodate NorthShore Medical Group's projected patients.

4. Source Information

CENTERS FOR DISEASE CONTROL & PREVENTION, NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION, National Chronic Kidney Disease Fact Sheet, 2017, (2017) available at https://www.cdc.gov/diabetes/pubs/pdf/kidney_factsheet.pdf (last visited Jul. 3, 2018).

US Renal Data System, USRDS 2017 Annual Data Report: Epidemiology of Kidney Disease in the United States, National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 16 (2017) available at https://www.usrds.org/2017/download/ v1_c01_ GenPop_17.pdf (last visited Jul. 3, 2018).

THE HENRY J. KAISER FAMILY FOUNDATION, MARKETPLACE EFFECTUATED ENROLLMENT, 2017-2018 *available at* https://www.kff.org/health-reform/state-indicator/marketplace-enrollment-2017-2018/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D (last visited Jul. 3, 2018).

Mohammed P. Hossian, M.D. et al., CKD AND POVERTY: A GROWING GLOBAL CHALLENGE, 53 AM. J. KIDNEY DISEASE 166, 167 (2009) available at http://www.ajkd.org/article/S0272-6386(08)01473-X/fulltext (last visited Jul. 3, 2018).

Joan Edward and Vicki Hines-Martin, Examining Perceived Barriers to Healthcare Access for Hispanics in a Southern Urban Community, 5 J of Hospital Administration 102, 104 (2016) *available at* https://www.researchgate.net/profile/Vicki_Hines-Martin/publication/291392351_Examining_perceived_barriers_to_healthcare_access_for_Hispanics_in_a_southern_urban_community/links/56ab9feb08ae8f386569c55b/Examining-perceived-barriers-to-healthcare-access-for-Hispanics-in-a-southern-urban-community.pdf?origin=publication_detail (last visited Jul 9, 2018).

5. The proposed clinic will improve access to dialysis services to the residents of the north side of Chicago, Illinois and the surrounding area. Given the demographics of the Sauganash GSA, this clinic is necessary to ensure sufficient access to dialysis services in the community.

6. The Applicants anticipate the proposed clinic will have quality outcomes comparable to its other clinics. Additionally, in an effort to better serve all kidney patients, DaVita believes in requiring all providers measure outcomes in the same way and report them in a timely and accurate basis or be subject to penalty. There are four key measures that are the most common indicators of quality care for dialysis providers - dialysis adequacy, fistula use rate, nutrition and bone and mineral metabolism. Adherence to these standard measures has been directly linked to 15-20% fewer hospitalizations. On each of these measures, DaVita has demonstrated superior clinical outcomes, which directly translated into 7% reduction in hospitalizations among DaVita patients.

U. S. Department of Health & Human Services

HRSA Health Resources & Services Administration Data Warehouse

Topic Areas Tools Data FAQs & Resources About HDW HRSA.gov

Home > Tools > Analyzers > Find Shortage Areas by Address

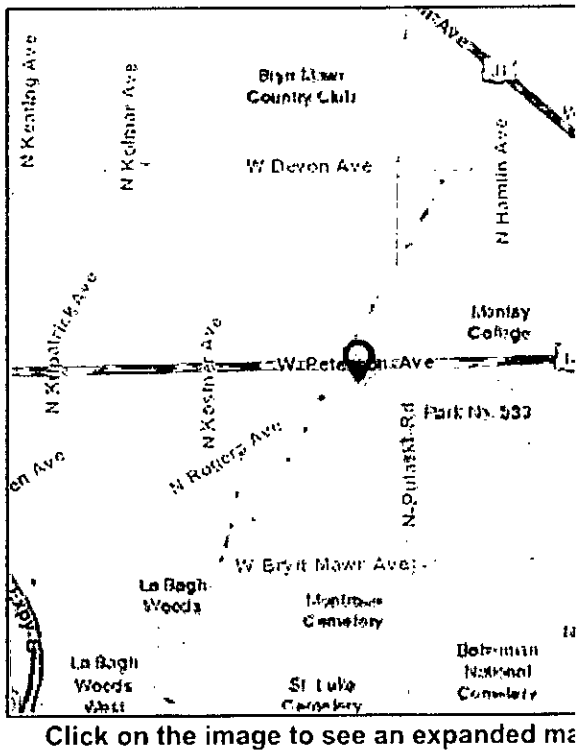
Find Shortage Areas by Address Results

Input address: 4054 west peterson avenue, Chicago, Illinois
Geocoded address: 4054 W Peterson Ave, Chicago, Illinois, 60646

Start Over

HPSA Data as of 7/9/2018
MUA Data as of 7/9/2018

[+] More about this address



Click on the image to see an expanded ma

In a Dental Health HPSA: Yes
HPSA Name: Low Income - Albany Park
ID: 6177561495
Designation Type: Hpsa Population
Status: Designated
Score: 2
Designation Date: 02/07/2013
Last Update Date: 10/28/2017

In a Mental Health HPSA: Yes
HPSA Name: Low Income - Chicago Northeast (1-8,13-22)
ID: 7172628215
Designation Type: Hpsa Population
Status: Designated
Score: 12
Designation Date: 01/15/2010
Last Update Date: 10/28/2017

In a Primary Care HPSA: No

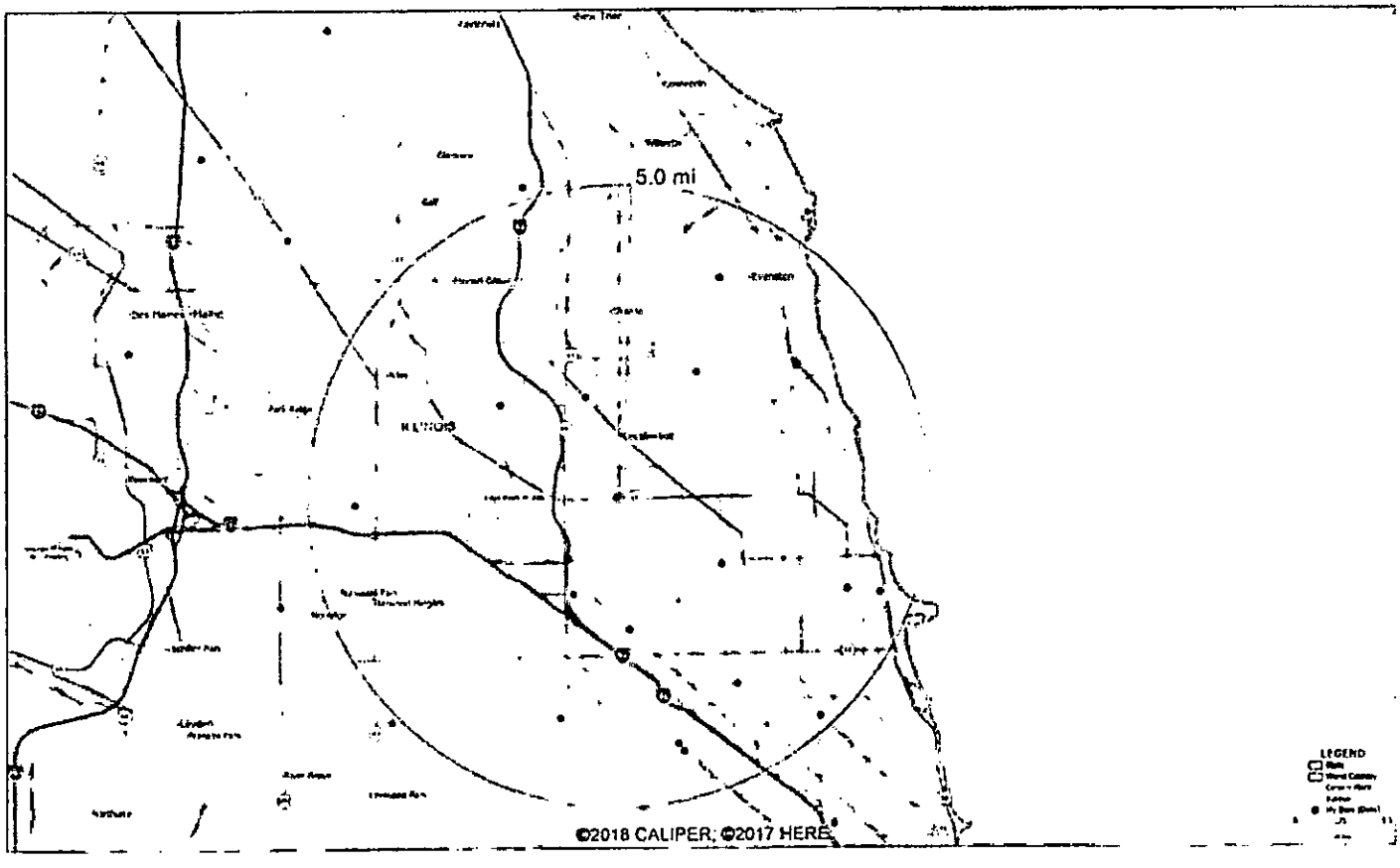
In a MUA/P: Yes
Service Area Name: Communities Asian-American Population
ID: 00801
Designation Type: Medically Underserved Population – Governor's Exception
Designation Date: 03/31/1988
Last Update Date: 03/31/1988

Attachment – 12A

Note: The address entered is geocoded and then compared against the HPSA and MUA/P data in the HRSA Data Warehouse. Due to geoprocessing limitations, the designation cannot be guaranteed to be 100% accurate and does not constitute an official determination.

Attachment – 12A

Sauganash Dialysis 5 Mile Geographic Service Area



Section III, Background, Purpose of the Project, and Alternatives
Criterion 1110.230(c) – Background, Purpose of the Project, and Alternatives

Alternatives

The Applicants considered three options prior to determining to establish a 12-station dialysis clinic. The options considered are as follows:

1. Maintain the Status Quo/Do Nothing

2. Utilize Existing Clinics.

3. Establish a new clinic.

After exploring these options, which are discussed in more detail below, the Applicants determined to establish a 12-station dialysis clinic. A review of each of the options considered and the reasons they were rejected follows.

Maintain the Status Quo/Do Nothing

The Applicants considered the option not to do anything. The Sauganash geographic service area is one of the most ethnically diverse areas in Chicago. Since the 1970s, it has been a point of entry for immigrants from Latin America and Asia. The community is 28% Hispanic and 11% Asian. Due to this large immigrant population, cultural barriers to access health care are high. These barriers include time and availability of providers, characteristics of healthcare personnel and patient-provider communications.[11] Limited communication and perceived lack of linguistic and cultural competence from providers can lead to mistrust of the health care system and make it difficult for immigrants to establish relationships with primary care physicians.[12] Provider communications and an ability to connect with one's primary care provider are critical for optimal healthcare, particularly when treating complex chronic illnesses. Due to cultural and linguistic barriers faced by members of this community, HRSA has designated this area a Medically Underserved Population.

Further, the incidence of ESRD in the Hispanic community is higher than in the general population. The ESRD incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanic individuals. Other factors that contribute to a higher disease burden are family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. Access to health care, the quality of care received, and barriers due to language and health literacy also play a role in the higher incident rates.[13]

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[11] Joan Edward and Vicki Hines-Martin, Examining Perceived Barriers to Healthcare Access for Hispanics in a Southern Urban Community, 5 J of Hospital Administration 102, 104 (2016) *available at* https://www.researchgate.net/profile/Vicki_Hines-Martin/publication/291392351_Examining_perceived_barriers_to_healthcare_access_for_Hispanics_in_a_southern_urban_community/links/56ab9feb08ae8f386569c55b/Examining-perceived-barriers-to-healthcare-access-for-Hispanics-in-a-southern-urban-community.pdf?origin=publication_detail (last visited Jul 9, 2018).

[12] Id. at 102-103.

[13] Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem,* Ethnicity Dis. 19(4), 466-72 (2009) *available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3587111/ (last visited Sep. 29, 2017).

Given these factors, readily accessible dialysis services are imperative for the health of the residents living in Sauganash and the surrounding communities. There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. It is imperative that enough dialysis stations are available to treat NorthShore Medical Group's projected ESRD patients who will require dialysis in the next two years.

Finally, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261 stations. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The existing clinics will not have adequate capacity to treat NorthShore Medical Group's projected patients. As a result, DaVita rejected this option.

There is no capital cost with this alternative.

Utilize Existing Clinics

DaVita considered utilizing existing facilities within the Sauganash Dialysis GSA; however, due to the growth in the need for dialysis services in this community, the existing clinics will not be able to accommodate NorthShore Medical Group's projected referrals. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

NorthShore Medical Group is currently treating 179 CKD patients, who reside within the proposed Sauganash Dialysis GSA. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Based upon historical utilization trends, the existing facilities will not have sufficient capacity to accommodate NorthShore Medical Group's projected ESRD patients.

Finally, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The existing clinics will not

have adequate capacity to treat NorthShore Medical Group's projected patients. As a result, DaVita rejected this option.

There is no capital cost with this alternative.

Establish a New Clinic

As noted above, There are 14 existing or approved dialysis clinics within the Sauganash GSA. The Sauganash GSA is one of the most ethnically diverse areas in Chicago. Since the 1970s, it has been a point of entry for immigrants from Latin America and Asia. The community is 28% Hispanic and 11% Asian. Due to this large immigrant population, cultural barriers to access health care are high. These barriers include time and availability of providers, characteristics of healthcare personnel and patient-provider communications.[14] Limited communication and perceived lack of linguistic and cultural competence from providers can lead to mistrust of the health care system and make it difficult for immigrants to establish relationships with primary care physicians.[15] Provider communications and an ability to connect with your primary care provider is critical for optimal healthcare, particularly when treating complex chronic illnesses. Due to cultural and linguistic barriers faced by members of this community, HRSA has designated this area a Medically Underserved Population.

Further, the incidence of ESRD in the Hispanic community is higher than in the general population. The ESRD incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanic individuals. Other factors that contribute to a higher disease burden are family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. Access to health care, the quality of care received, and barriers due to language and health literacy also play a role in the higher incident rates.[16]

Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

Further, NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. It

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[15] Id. at 102-103.

[16] Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem,* Ethnicity Dis. 19(4), 466-72 (2009) *available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3587111/ (last visited Sep. 29, 2017).

is imperative that enough dialysis stations are available to treat NorthShore Medical Group's projected ESRD patients who will require dialysis in the next two years

Finally, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261 stations. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The existing clinics will not have adequate capacity to treat NorthShore Medical Group's projected patients. As a result, DaVita rejected this option.

The proposed Sauganash Dialysis is needed to ensure ESRD patients on the north side of Chicago have adequate access to dialysis services that are essential to their well-being. As a result, DaVita chose this option.

The cost of this alternative is **$4,678,689**.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The Applicants propose to establish a 12-station dialysis clinic. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard is 450-650 gross square feet per dialysis station for a total of 5,400 – 7,800 gross square feet for 12 dialysis stations. The total gross square footage of the clinical space of the proposed Sauganash Dialysis is 7,067 of gross square feet (or 588.92 GSF per station). Accordingly, the proposed clinic meets the State standard per station.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
ESRD	7,067	5,400 – 7,800	N/A	Meets State Standard

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(b), Project Services Utilization

By the second year of operation, annual utilization at the proposed clinic shall exceed HFSRB's utilization standard of 80%. Pursuant to Section 1100.1430 of the HFSRB's rules, clinics providing in-center hemodialysis should operate their dialysis stations at or above an annual utilization rate of 80%, assuming three patient shifts per day per dialysis station, operating six days per week. Dr. Louisa Tammy Ho is currently treating 179 selected CKD patients who all reside within 3 miles of the proposed Sauganash Dialysis, and whose condition is advancing to ESRD. See Appendix - 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation of patients outside the Sauganash GSA, it is estimated that 61 of these patients will initiate in-center hemodialysis within 12 to 24 months following project completion.

Table 1110.234(b)
Utilization

	Dept./ Service	Historical Utilization (Treatments)	Projected Utilization	State Standard	Met Standard?
Year 2	ESRD	N/A	9,516	8,986	Yes

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(c), Unfinished or Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(d), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430, In-Center Hemodialysis Projects – Review Criteria

1. Planning Area Need

There is currently a need for 9 hemodialysis stations in the City of Chicago. This project is intended to address that need and will improve access to life sustaining dialysis services to the residents residing on the north side of Chicago. The Sauganash geographic service area is one of the most ethnically diverse areas in Chicago. Since the 1970s, it has been a point of entry for immigrants from Latin America and Asia. The community is 28% Hispanic and 11% Asian. Due to this large immigrant population, cultural barriers to access health care are high. These barriers include time and availability of providers, characteristics of healthcare personnel and patient-provider communications.[17] Limited communication and perceived lack of linguistic and cultural competence from providers can lead to mistrust of the health care system and make it difficult for immigrants to establish relationships with primary care physicians.[18] Provider communications and an ability to connect with your primary care provider is critical for optimal healthcare, particularly when treating complex chronic illnesses. Due to cultural and linguistic barriers faced by members of this community, HRSA has designated this area a Medically Underserved Population.

Further, the incidence of ESRD in the Hispanic community is higher than in the general population. The ESRD incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanic individuals. Other factors that contribute to a higher disease burden are family history, impaired glucose tolerance, diabetes during pregnancy, hyperinsulinemia and insulin resistance, obesity and physical inactivity. Access to health care, the quality of care received, and barriers due to language and health literacy also play a role in the higher incident rates.[19]

Given these factors, readily accessible dialysis services are imperative for the health of the residents living in Sauganash and the surrounding communities. There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

Finally, NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of

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17 Joan Edward and Vicki Hines-Martin, Examining Perceived Barriers to Healthcare Access for Hispanics in a Southern Urban Community, 5 J of Hospital Administration 102, 104 (2016) *available at* https://www.researchgate.net/profile/Vicki_Hines-Martin/publication/291392351_Examining_perceived_barriers_to_healthcare_access_for_Hispanics_in_a_southern_urban_community/links/56ab9feb08ae8f386569c55b/Examining-perceived-barriers-to-healthcare-access-for-Hispanics-in-a-southern-urban-community.pdf?origin=publication_detail (last visited Jul 9, 2018).

18 Id. at 102-103.

19 Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem,* Ethnicity Dis. 19(4), 466-72 (2009) *available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3587111/ (last visited Sep. 29, 2017).

other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion.

The proposed Sauganash Dialysis is needed to ensure ESRD patients on the north side of Chicago have adequate access to dialysis services that are essential to their well-being

2. Service to Planning Area Residents

The proposed Sauganash Dialysis is located in a community that is designated as a medically underserved population by HRSA. There is a need for 9 dialysis stations in the City of Chicago, the only area with a need for dialysis stations in the State of Illinois. The purpose of the project is to meet this need and to ensure that the ESRD patient population on the north side of Chicago has access to life sustaining dialysis. As evidenced in the physician referral letter attached at Appendix – 1, all 61 pre-ESRD patients anticipated to initiate dialysis within two years of project completion reside within 3 miles of Sauganash Dialysis.

3. Service Demand

Attached at Appendix - 1 is a physician referral letter from Dr. Ho and a schedule of CKD and current patients by zip code. A summary of CKD patients projected to be referred to the proposed dialysis clinic within the first two years after project completion is provided in Table 1110.230(b)(3)(B) below.

Table 1110.230(b)(3)(B) Projected Pre-ESRD Patient Referrals by Zip Code

Zip Code	Total Patients
60625	10
60630	23
60646	33
60659	43
60712	70
Total	**179**

4. Service Accessibility

As set forth throughout this application, the proposed clinic is needed to maintain access to life-sustaining dialysis for residents of the north side of Chicago and the surrounding area. There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

The Sauganash geographic service area is one of the most ethnically diverse areas in Chicago. Since the 1970s, it has been a point of entry for immigrants from Latin America and Asia. The community is 28% Hispanic and 11% Asian. Due to this large immigrant population, cultural barriers to access health care are high. These barriers include time and availability of providers,

characteristics of healthcare personnel and patient-provider communications.[20] Limited communication and perceived lack of linguistic and cultural competence from providers can lead to mistrust of the health care system and make it difficult for immigrants to establish relationships with primary care physicians.[21] Provider communications and an ability to connect with your primary care provider is critical for optimal healthcare, particularly when treating complex chronic illnesses. Due to cultural and linguistic barriers faced by members of this community, HRSA has designated this area a Medically Underserved Population.

The incidence of ESRD in the Hispanic population is higher than in the general population. The ESRD incident rate among the Hispanic population is 1.5 times greater than the non-Hispanic population. Likely contributing factors to this burden of disease include diabetes and metabolic syndrome, both are common among Hispanics. Access to health care, quality of care, and barriers due to language, health literacy and acculturation also play a role.[22]

Given these socioeconomic factors and U.S. Centers for Disease Control and Prevention estimates that 15% of American adults suffer from CKD, patient growth is anticipated to continue for the foreseeable future. Unfortunately, kidney disease is often undetectable by the patient until the late stages when it is often too late to stop or slow the disease progression. As more working families obtain health insurance through the Affordable Care Act[23] and 1.5 million Medicaid beneficiaries transition from traditional fee for service Medicaid to Medicaid managed care,[24] more individuals in high risk groups now have better access to primary care and kidney screening. As a result of these health care reform initiatives, DaVita anticipates continued increases in newly diagnosed cases of CKD in the years ahead. However, once diagnosed, many of these patients will be further along in the progression of CKD due to the lack of nephrologist care prior to diagnosis. It is imperative that enough dialysis stations are available to treat this new influx of ESRD patients who will require dialysis in the next two years.

NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Based upon historical utilization trends, the existing clinics will not have sufficient capacity to accommodate NorthShore Medical Group's projected ESRD patients.

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20 Joan Edward and Vicki Hines-Martin, Examining Perceived Barriers to Healthcare Access for Hispanics in a Southern Urban Community, 5 J of Hospital Administration 102, 104 (2016) *available at* https://www.researchgate.net/profile/Vicki_Hines-Martin/publication/291392351_Examining_perceived_barriers_to_healthcare_access_for_Hispanics_in_a_southern_urban_community/links/56ab9feb08ae8f386569c55b/Examining-perceived-barriers-to-healthcare-access-for-Hispanics-in-a-southern-urban-community.pdf?origin=publication_detail (last visited Jul 9, 2018).

21 Id. at 102-103.

22 Claudia M. Lora, M.D. et al, *Chronic Kidney Disease in United States Hispanics: A Growing Public Health Problem,* Ethnicity Dis. 19(4), 466-72 (2009) *available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3587111/ (last visited Sep. 29, 2017).

23 According to data from the Kaiser Family Foundation 356,403 Illinois residents enrolled in a health insurance program through the ACA (THE HENRY J. KAISER FAMILY FOUNDATION, TOTAL MARKETPLACE ENROLLMENT *available at* http://www.kff.org/health-reform/state-indicator/total-marketplace-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D (last visited Jul. 24, 2017)).

24 In January 2011, the Illinois General Assembly passed legislation mandating 50% of the Medicaid population to be covered by a managed care program by 2015.

Finally, June 2018 data from the Renal Network supports the need for additional stations in the Sauganash GSA. According to the Renal Network data 1,470 in-center ESRD patients live within 5 miles of the proposed clinic and this number is expected to grow. Importantly, 306 stations are needed to adequately serve this population; however, there are only 261 stations. Accordingly, there is a need for 45 stations in the Sauganash GSA. As noted above, additional stations recently came online; however, these stations are dedicated to a different patient base. The proposed Sauganash Dialysis is needed to ensure ESRD patients on the north side of Chicago have adequate access to dialysis services that are essential to their well-being.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(c), Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication of Services

a. The proposed dialysis clinic will be located at 4054 W. Peterson Ave, Chicago, IL 60646. A map of the proposed clinic's market area is attached at Attachment – 24A. A list of all zip codes located, in total or in part, within 5 miles of the site of the proposed dialysis clinic as well as 2016 population estimates for each zip code is provided in Table 1110.230(c)(1)(A).

Table 1110.230(c)(1)(A)
Population of Zip Codes within a 5 mile radius of Proposed Clinic

Zip Code	City	Population
60053	Morton Grove	23,413
60076	Skokie	32,497
60077	Skokie	28,281
60201	Evanston	43,056
60202	Evanston	32,416
60203	Evanston	4,089
60613	Chicago	49,519
60618	Chicago	95,632
60625	Chicago	79,157
60626	Chicago	50,090
60630	Chicago	57,627
60631	Chicago	28,238
60639	Chicago	90,211
60640	Chicago	67,088
60641	Chicago	70,642
60645	Chicago	47,131
60646	Chicago	27,454
60647	Chicago	88,866
60656	Chicago	27,926
60659	Chicago	38,995
60660	Chicago	41,490
60706	Harwood Heights	23,604
60712	Lincolnwood	12,637
Total		**1,060,059**

Source: U.S. Census Bureau, Census 2016, American Factfinder *available at* https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml (last visited Jul. 6, 2018).

b. A list of existing and approved dialysis clinics located within a 5 mile radius of the proposed dialysis clinic is provided at Attachment – 24B.

2. Maldistribution of Services

The proposed dialysis clinic will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of clinics, stations, and services characterized by such factors as, but not limited to: (1) ratio of stations to population exceeds one and one-half times the State Average; (2) historical utilization for existing clinics and services is below the HFSRB's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

a. Ratio of Stations to Population

As shown in Table 1110.1430(d)(2)(A), the ratio of stations to population is 59.5% of the State Average.

Table 1110.1430(d)(2)(A)
Ratio of Stations to Population

	Population	Stations	Stations to Population	Standard Met
Sauganash GSA	1,060,059	241	1:4,398	Yes
Illinois	12,851,684	4,909	1:2,618	

b. Historic Utilization of Existing Facilities

There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational. The proposed Sauganash Dialysis is needed to ensure there are sufficient dialysis stations to accommodate NorthShore Medical Group's projected patients.

c. Sufficient Population to Achieve Target Utilization

The Applicants propose to establish a 12-station dialysis clinic. To achieve the HFSRB's 80% utilization standard within the first two years after project completion, the Applicants would need 58 patient referrals. NorthShore Medical Group is currently treating 179 CKD patients within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Accordingly, there is sufficient population to achieve target utilization.

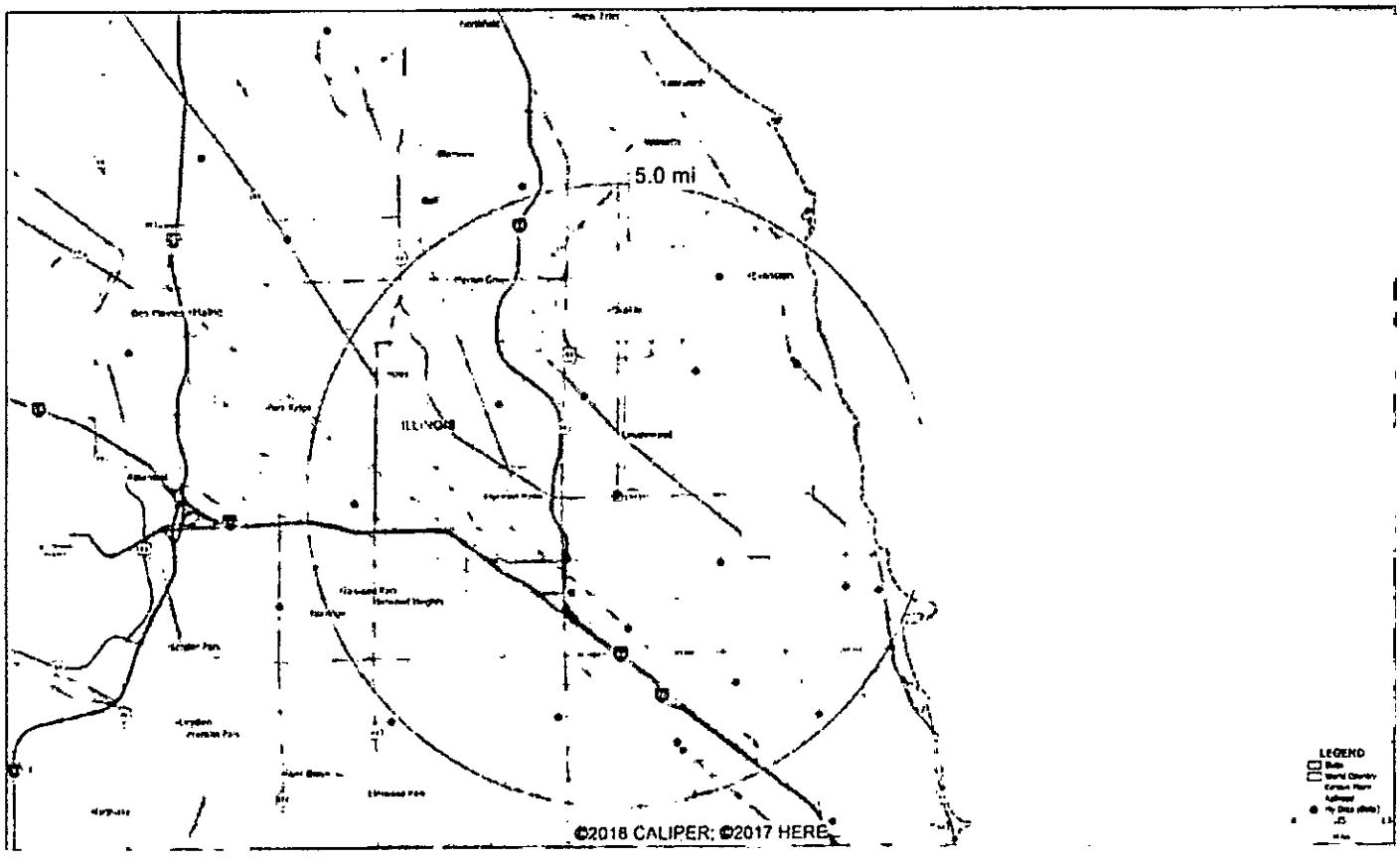
3. Impact to Other Providers

a. The proposed dialysis clinic will not have an adverse impact on existing clinics in the Sauganash GSA. NorthShore Medical Group is currently treating 179 CKD patients within 3 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and

in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. No patients are expected to transfer from existing dialysis clinics.

b. The proposed dialysis clinic will not lower the utilization of other area clinics that are currently operating below HFSRB standards. As noted above, There are 14 existing or approved dialysis clinics within the Sauganash GSA. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational. Further, NorthShore Medical Group is currently treating 179 CKD patients within 3 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. No patients are expected to transfer from existing dialysis clinics.

Sauganash Dialysis 5 Mile Geographic Service Area



Attachment – 24A

Facility	Address	City	Straight Line Distance	Number of Stations 7/25/2018	Number of Patients 9/30/18	Utilization % 9/30/18
Center for Renal Replacement[1]	7301 N. Lincoln Ave.	Lincolnwood	1.70	16	0	0.00%
Fresenius Medical Care North Kilpatrick	4800 North Kilpatrick	Chicago	1.71	28	144	85.71%
Nephron Dialysis Ctr Swedish Covenant	5140 North California Ave.	Chicago	1.96	16	93	96.88%
Irving Park Dialysis[2]	4343 North Elston Avenue	Chicago	2.12	12	13	18.06%
Dialysis Ctr of America - (Rogers Park)	2277 West Howard Street	Chicago	2.36	20	92	76.67%
Big Oaks Dialysis	5623 W. Touhy	Niles	2.43	12	49	68.06%
Fresenius Medical Care Northcenter	2620 W. Addison	Chicago	3.55	16	57	59.38%
Fresenius Medical Care West Belmont	4848 West Belmont	Chicago	3.67	17	88	86.27%
Neomedica Dialysis Ctrs - Evanston	1922 Dempster Street	Evanston	3.86	20	93	77.50%
Fresenius Medical Care of Lakeview	4800 N. Broadway	Chicago	3.94	14	51	60.71%
Logan Square Dialysis	2816 North Kimball Avenue	Chicago	4.08	28	148	88.10%
Fresenius Medical Care Logan Square	2721 N. Spaulding	Chicago	4.23	14	65	77.38%
Resurrection Medical Center	7435 West Talcott	Chicago	4.24	14	23	27.38%
RCG - Uptown	4720 N. Marine Drive	Chicago	4.46	14	74	88.10%
Total				**241**	**990**	**68.46%**
Total Less Clinic Operational < 2 Years				**213**	**977**	**76.45%**

[1]Non-Reporting Clinic

[2]Medicare Certified May 29, 2018

Attachment – 24B

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(e), Staffing

1. The proposed clinic will be staffed in accordance with all State and Medicare staffing requirements.

    a. Medical Director: Louisa Tammy Ho, M.D. will serve as the Medical Director for the proposed clinic. A copy of Dr. Ho's curriculum vitae is attached at Attachment – 24C.

    b. Other Clinical Staff: Initial staffing for the proposed clinic will be as follows:

    Administrator (0.99 FTE)
    Registered Nurse (4.24 FTE)
    Patient Care Technician (3.90 FTE)
    Biomedical Technician (0.29 FTE)
    Social Worker (0.52 FTE)
    Registered Dietitian (0.52 FTE)
    Administrative Assistant (0.75 FTE)

    As patient volume increases, nursing and patient care technician staffing will increase accordingly to maintain a ratio of at least one direct patient care provider for every 4 ESRD patients. At least one registered nurse will be on duty while the clinic is in operation.

    c. All staff will be training under the direction of the proposed clinic's Governing Body, utilizing DaVita's comprehensive training program. DaVita's training program meets all State and Medicare requirements. The training program includes introduction to the dialysis machine, components of the hemodialysis system, infection control, anticoagulation, patient assessment/data collection, vascular access, kidney failure, documentation, complications of dialysis, laboratory draws, and miscellaneous testing devices used. In addition, it includes in-depth theory on the structure and function of the kidneys; including, homeostasis, renal failure, ARF/CRF, uremia, osteodystrophy and anemia, principles of dialysis; components of hemodialysis system; water treatment; dialyzer reprocessing; hemodialysis treatment; fluid management; nutrition; laboratory; adequacy; pharmacology; patient education, and service excellence. A summary of the training program is attached at Attachment – 24D.

    d. As set forth in the letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. and Total Renal Care, Inc., attached at Attachment – 24E, Sauganash Dialysis will maintain an open medical staff.

LOUISA TAMMY HO, MD (Tammy)
Assistant Clinical Professor, Department of Medicine
University of Chicago Pritzker School of Medicine
Medical Director, Acute Hemodialysis and Plasmapheresis
Medical Director, CKD Clinic
NorthShore University HealthSystem

EDUCATION:

May, 1983	University of Miami Miami, FL Bachelor of Science Cum Laude
May, 1987	University of Miami School of Medicine Miami, FL Doctor of Medicine

GRADUATE MEDICAL EDUCATION:

1987-1988	Intern, Internal Medicine Emory University Hospital System Atlanta, GA
1988-1990	Resident, Internal Medicine Emory University Hospital System Atlanta, GA
1991-1994	Fellow, Nephrology University of Chicago Chicago, IL

CERTIFICATION:

September, 2000	American Board of Internal Medicine Diplomate
November, 2004	American Board of Internal Medicine Subspecialty Nephrology Diplomate

FACULTY APPOINTMENTS:

1990-1991	Senior Associate Medical Emergency Clinic Department of Medicine Emory University Atlanta, GA
1994-1996	Instructor Department of Medicine University of Chicago Chicago, IL
1996-1998	Assistant Professor Department of Medicine University of Chicago Chicago, IL
1998-2009	Assistant Professor Department of Medicine Feinberg School of Medicine, Northwestern University
2009-present	Clinical Assistant Professor Prizger School of Medicine University of Chicago

ADMINISTRATIVE RESPONSIBILITIES:

1994-1998	Medical Director Chronic Ambulatory Peritoneal Dialysis Unit University of Chicago
1996-1998	Director, Fellowship Recruitment Section of Nephrology, University of Chicago
1998-present	Medical Director Acute Hemodialysis NorthShore University HealthSystem/DaVita
2001-2009	Medical Director Chronic Hemodialysis Fresenius, Evanston
2005-2009	Nephrology Fellowship Director Northwestern University, Evanston Campus

2004-present	Medical Director Chronic Kidney Disease Clinic NorthShore University HealthSystem

COMMITTEE SERVICE:

1994-1995	Advisory Committee End Stage Renal Disease Network, Illinois Crescent County Medical Foundation
1995-1996	Medical Review Board End Stage Renal Disease Network, Illinois Crescent County Medical Foundation
1996-1997	Faculty Teaching Evaluation Committee University of Chicago, Department of Medicine
2005-2006	Medical Advisory Board Renal Care Group
2005, 2006	Fellow Research Award Committee Annual National Kidney Foundation of Illinois Conference "Kidney disease in 21st Century"
2007-2010	Medical Advisory Board, Executive Committee National Kidney Foundation of Illinois
2007-2010	Central Business Unit, Northern Illinois, Executive Board Fresenius Medical
2012-2014	Women in Leadership Northshore University Healthservices Committtee member
2012-current	Department of Medicine Quality Committee Northshore University Healthservies Nephrology Representative

AWARDS:

2008-2009	Medical Attending Specialist of the Year, Internal Medicine Residency Program

2009	Innovation Award, Northshore University Healthsystems
2011-2012	Award for Outstanding Contributions in Medical Education, Internal Medicine Residency Program
2012-2013	Medical Attending Specialist of the Year
2013-2014	Northshore Attending Teacher of Year, University of Chicago Nephrology Fellowship Program

PROFESSIONAL SOCIETIES:

American College of Physicians
American Medical Association
American Society of Nephrology
National Kidney Foundation
National Kidney Foundation of Illinois
Renal Physicians Association

TEACHING:

1991-1998	Renal Physiology, Graduate Education University of Chicago School of Medicine, first year class
1991-1998	Renal Clinical Core Curriculum, Graduate Education University of Chicago School of Medicine, third year medicine rotation
1993-1998.1	Renal pathophysiology, Acute Renal Failure, Graduate Education University of Chicago School of Medicine, second year class
1997-1998	Clinical Core Curriculum, Renal Fellowship Training Program University of Chicago, Graduate Education
July, 1998	Section coordinator and lecturer, Graduate and continuing medical education Specialty Review in Internal Medicine, Nephrology National Center for Advanced Medical Education
1998-	Teaching attending, General Medicine Service, Medicine Residency Program
1998-	Core Curriculum, Nephrology, Medicine Residency Program
1998-	Renal Clinical Conference, Clinical Case presentation, Medicine Residency Program
1998-	Nephrology Fellow/Resident Journal Review in Nephrology

2003 Lecturer, Acute Renal Disease in ICU, ICU nurse continuing education

2007 Lecturer, Management of Edema in Physical Therapy Setting

SCHOLARLY PRODUCTIVITY:

Ho, LT and Sprague, SM. Women and CKD-mineral and bone disorder. AdvChronic Kidney Dis. 2013 Sep:20(5):423-6

Zisman, A, Hristova, M, **Ho, LT** and Sprague, SM. Impact of Ergocalciferol Treatment of Vitamin D Deficiency on Serum Parathyroid Hormone Concentrations in Chronic Kidney Disease, American Journal of Nephrology 27:36-43, 2007.

Ho, LT and Sprague, SM. Percutaneous Bone Biopsy in the Diagnosis of Renal Osteodystrophy. Seminars in Nephrology 22:268-275,2002.

Ho, LT and Sprague, SM. Renal Osteodystophy in Chronic Renal Failure. Seminars in Nephrology 22:488-493, 2002.

Donesh, F and **Ho, LT**. Dialysis Related Amyloidosis: History and Clinical Manifestations. Seminars in Dialysis, 14:2-8, 2001.

Pliskin, NH, Yurk, HM, **Ho, LT** and Umans, JG. Neurocognitive function in chronic hemodialysis patients. Kidney International 49(5), 435-40, 1996.

Ho, LT, Kushner, R, Schoeller, D, Gudivaka, R, and Spiegel, D. Bioimpedance analysis of total body water in control and hemodialysis patients. KI 46:1438-42, 1994.

Gudivaka, R, Schoeller, D, **Ho, LT**, Spiegel, D, and Kushner, R. Effect of body position, electrode placement, and time on prediction of total body water by multifrequency bioelectrical impedance analysis. Age and Nutrition 5:2, 1994.

Ho, LT and Ho, RJ. Production and assay of antibodies to an activator of adenylate cyclase, forskolin. Journal of Cyclic Nucleatides and Protein Phosphorylation Research. 11;421-432, 1988

Ho, LT, Nie, ZM, Mende, TH, Richardson, S, Chavan, A, Koaczkowska, E, Watt, DS, Haley, BE, and Ho, RJ. Modification of adenylate cyclase of photoaffinity analogs of forskolin. Issue of Second Messengers and Phosphoproteins 12:143-7, 1988

Abstracts:

Golemi, Iva MD , Al Kadhimi, Munaf MD , Ho, Louisa MD. Weight loss herb related acute interstitial nephritis. American College of Physicians Northern Chapter November 2017

Modi, Ami MD, Ho, Louisa MD, and Goldschmidt, Robert. An unusual presentation of adult onset minimal change disease and interferon related thrombotic microangiopathy. American College of Physicians Northern Chapter Novemver 2017

Ozair M. Ziauddin, Ankit Rawal, Stephen Haggerty and L Tammy Ho. Evaluation of Quick Start Use of Peritoneal Dialysis Catheter. Presented to American Society of Nephrology Novermber 2014

Ankit Rawal, Paulynn Katsulis, Lumi Stutz, Morgan Marcuccilli, Jaime Sua, Perter Karalis, Ying Zhou and L. Tammy Ho. Comparison of intravenous iron therapy for the treatment of anemica in chronic kidney disease population in a CKD clinic. Presented to National Kidney Foundation Spring Meetings 2013.

Lumi Stutz, Julie Kirshenbaum, Paulynn Katsulis, Morgan Marcuccilli, and L. Tammy Ho, Impact of a CKD clinic on access placement in incident hemodialysis patients. Presented to the National Kidney Foundation Spring Meetings 2012.

Lumi Stutz, Julie Kirshenbaum, Nisha Patel, Jamie Sua and L. Tammy Ho. Role of nurse practitioner monitoring on vascular access outcomes. Presented to the National Kidney Foundation Spring Meetings 2011.

Lumi Stutz, APN, Paulynn Katsulis, APN, Hongyan Du, L. Tammy Ho, MD and Stuart Sprague, DO. Use of IV iron in non dialysis CKD patients. Presented to the National Kidney Foundation Spring Meetings 2011.

Junine Degraf, NP, Derek Larson, MD, Hongyan Du, MS, Stuart Sprague, DO, Neenoo Khosla, MD and Tammy Ho, MD. Effect of Ergocalciferol Treatment on Mineral Metabolism in Chronic Hemodialysis Patients. Presented to the National Kidney Foundation Spring Meetings 2010.

Derek Larson, MD, Junine Degraf, NP, Hongyan Du,MS, Stuart Sprague, DO, Neenoo Khosla, MD, and Tammy Ho, MD. Effect of Ergocalciferol Replacement on Anemia Management in ESRD. Presented to the National Kidney Foundation Spring Meetings 2010.

Yvette Shannon, MD, Hongyan Du, MS, L. Tammy Ho, MD and Stuart Sprague, The use of phosphate binders in non-dialysis CKD patients. Presented to the American Society of Nephrology, November 2009

Cary Belen, DO, Hongyan Du, MS, L. Tammy Ho, MD, and Stuart M Sprague,.

Calcium and Risk of Mortality in Chronic Kidney Disease. Presented to the American Society of Nephrology, November, 2009.

Amit Arora, MD, Hongyan Du, MS, L. Tammy Ho, MD, and Stuart M Sprague. Association of ergocalciferol treatment and mortality in CKD. Presented to the American Society of Nephprology, November, 2009

Shannon, Y D.O., Khambati, N R.D., Katsulis, P NP, Stutz, L NP, Ho, LT M.D. and Sprague, S D.O..EFFECTS OF VITAMIN D ON ESA REQUIREMENTS IN CKD STAGE 3-4. Presented to the National Kidney Foundation Spring Meetings 2008

Arora, A., Khambati, N., Ho, LT and Sprague, S. ERGOCALCIFEROL and ACTIVE VITAMIN D for HYPERPARATHYROIDISM in CKD. Presented to the National Kidney Foundation Spring Meetings 2008

Hristova, M, Zisman, A, Degraf J, Ho, L, and Sprague, S. Prevalence of 25-Hydroxyvitamin D Insufficiency and Deficiency in CKD Patients. Presented to the American Society of Nephrology, November 2005

Zisman, A, Hristova, M, Kim, E, Oliva, R, Ho, L and Sprague, S. Treatment of 25-Hydroxyvitamin D Deficiency in CKD Patients. Presented to the American Society of Nephrology, November 2005

INVITED PRESENTATIONS:

Evanston Hospital Medicine Grand Rounds:
2005 Chronic Kidney Disease: Emerging Therapies

Rockford General Hospital Grand Rounds:
2006 Strategies for Improving the Care of the Patient with Chronic Kidney Disease

American Society of Nephrology, Renal Week
2006 Vitamin D Deficiency in Early CKD

American Society of Nephrology Renal Weekends 2007
2007 Vitamin D in Stages 3-5 CKD

National Kidney Foundation Spring Clinical Meetings
2007 Integrating the Management of Mineral Metabolism into a CKD Clinic
Management of Calcium and Phosphorus in Early CKD

2007 "D"oes More Than Treat Secondary HPT
Co-chair of session

American Society of Nephrology Renal Weekends 2008

2008 Bone and Mineral Metabolism Review

National Kidney Foundation Spring Clinical Meetings
2009 Exploring the Link Between CKD and CVD

Henry Ford Hospital, Detroit Medical Advisory Board
2009 Controversies of Bone and Mineral Metabolism in Dialysis

28th Annual Dialysis Conference
2008 Nutritional Vitamin D and Active Vitamin D in CKD
The Use of Bisphosphonates in CKD

American Society of Nephprology Board Review Course:Nephrology
2009 Renal Osteodystrophy

National Kidney Foundation Spring Clinical Meetings
2010 Mineral metabolism in CKD patients

National Kidney Foundation Spring Clinical Meetings
2011 Mineral metabolism in CKD patients

TITLE: BASIC TRAINING IN-CENTER HEMODIALYSIS PROGRAM OVERVIEW

Mission
DaVita's Basic Training Program for In-center Hemodialysis provides the instructional preparation and the tools to enable teammates to deliver quality patient care. Our core values of *service excellence, integrity, team, continuous improvement, accountability, fulfillment and fun* provide the framework for the Program. Compliance with State and Federal Regulations and the inclusion of DaVita's Policies and Procedures (P&P) were instrumental in the development of the program.

Explanation of Content
Two education programs for the new nurse or patient care technician (PCT) are detailed in this section. These include the training of new DaVita teammates **without** previous dialysis experience and the training of the new teammates **with** previous dialysis experience. A program description including specific objectives and content requirements is included.

This section is designed to provide a *quick reference* to program content and to provide access to key documents and forms.

The **Table of Contents** is as follows:

Orig. 1995
Review
Revision Mar 2014, Sep 2015, Feb 2017

TITLE: BASIC TRAINING FOR IN-CENTER HEMODIALYSIS PROGRAM DESCRIPTION

Introduction to Program

The Basic Training Program for In-center Hemodialysis is grounded in DaVita's Core Values. These core values include a commitment to providing *service excellence*, promoting *integrity*, practicing a *team* approach, systematically striving for *continuous improvement*, practicing *accountability*, and experiencing *fulfillment* and *fun*.

The Basic Training Program for In-center Hemodialysis is designed to provide the new teammate with the theoretical background and clinical skills necessary to function as a competent hemodialysis patient care provider.

DaVita hires both non-experienced and experienced teammates. Newly hired teammates must meet all applicable State requirements for education, training, credentialing, competency, standards of practice, certification, and licensure in the State in which he or she is employed. For individuals with experience in the armed forces of the United States, or in the national guard or in a reserve component, DaVita will review the individual's military education and skills training, determine whether any of the military education or skills training is substantially equivalent to the Basic Training curriculum and award credit to the individual for any substantially equivalent military education or skills training.

A **non-experienced teammate** is defined as:

- A newly hired patient care teammate without prior in-center hemodialysis experience.
- A rehired patient care teammate who left prior to completing the initial training.
- A newly hired or rehired patient care teammate with previous incenter hemodialysis experience who has not provided at least 3 months of hands on dialysis care to patients within the past 12 months.
- A DaVita patient care teammate with experience in a different treatment modality who transfers to in-center hemodialysis. Examples of different treatment modalities include acute dialysis, home hemodialysis, peritoneal dialysis, and pediatric dialysis.

An **experienced teammate** is defined as:

- A newly hired or rehired teammate who is either certified in hemodialysis under a State certification program or a national commercially available certification program, or can show proof of completing an in-center hemodialysis training program,
- And has provided at least 3 months of hands on in-center hemodialysis care to patients within the past 12 months.

Note:

Experienced teammates who are rehired outside of a 90 day window must complete the required training as outlined in this policy.

Orig. 1995
Review Feb 2017
Revision Aug 2014, Oct 2014, Jul 2015, Sep 2015, Oct 2015, Jan 2016, May 2016, Jan 2017

The curriculum of the Basic Training Program for In-center Hemodialysis is modeled after Federal Law and State Boards of Nursing requirements, the American Nephrology Nurses Association Core Curriculum for Nephrology Nursing, and the Board of Nephrology Examiners Nursing and Technology guidelines. The program also incorporates the policies, procedures, and guidelines of DaVita HealthCare Partners Inc.

"Day in the Life" is DaVita's learning portal with videos for RNs, LPN/LVNs and patient care technicians. The portal shows common tasks that are done throughout the workday and provides links to policies and procedures and other educational materials associated with these tasks thus increasing teammates' knowledge of all aspects of dialysis. It is designed to be used in conjunction with the "Basic Training Workbook."

Program Description

The education program for the newly hired patient care provider teammate **without prior dialysis experience** is composed of at least (1) 120 hours didactic instruction and a minimum of (2) 240 hours clinical practicum, unless otherwise specified by individual state regulations.

The **didactic phase** consists of instruction including but not limited to lectures, readings, self-study materials, on-line learning activities, specifically designed in-center hemodialysis workbooks for the teammate, demonstrations, and observations. This education may be coordinated by the Clinical Services Specialist (CSS), a nurse educator, the administrator, or the preceptor.

Within the clinic setting this training includes

- Principles of dialysis
- Water treatment and dialysate preparation
- Introduction to the dialysis delivery system and its components
- Care of patients with kidney failure, including assessment, data collection and interpersonal skills
- Dialysis procedures and documentation, including initiation, monitoring, and termination of dialysis
- Vascular access care including proper cannulation techniques
- Medication preparation and administration
- Laboratory specimen collection and processing
- Possible complications of dialysis
- Infection control and safety
- Dialyzer reprocessing, if applicable

The program also introduces the new teammate to DaVita Policies and Procedures (P&P), and the Core Curriculum for Dialysis Technicians.

Orig. 1995
Review Feb 2017
Revision Aug 2014, Oct 2014, Jul 2015, Sep 2015, Oct 2015, Jan 2016, May 2016, Jan 2017

The **didactic phase** also includes classroom training with the CSS or nurse educator. Class builds upon the theory learned in the Workbooks and introduces the students to more advanced topics. These include:

- Acute Kidney Injury vs. Chronic Renal Failure
- Adequacy of Hemodialysis
- Complications of Hemodialysis
- Conflict Resolution
- Data Collection and Assessment
- Documentation & Flow Sheet Review
- Fluid Management
- Importance of P&P
- Infection Control
- Laboratory
- Manifestations of Chronic Renal Failure
- Motivational Interviewing
- Normal Kidney Function vs. Hemodialysis
- Patient Self-management
- Pharmacology
- Renal Nutrition
- Role of the Renal Social Worker
- Survey Savvy for Teammates
- The DaVita Quality Index
- The Hemodialysis Delivery System
- Vascular Access
- Water Treatment

Also included are workshops, role play, and instructional videos. Additional topics are included as per specific state regulations.

Theory class concludes with the *DaVita Basic Training Final Exam.* A comprehensive examination score of 80% (unless state requires a higher score) must be obtained to successfully complete this portion of the didactic phase.

The *DaVita Basic Training Final Exam* can be administered as a paper-based exam by the instructor in a classroom setting, or be completed online (DVU2069-EXAM) either in the classroom or in the facility. If the exam is completed in the facility, the new teammate's preceptor will proctor the online exam.

If a score of less than 80% is attained, the teammate will receive additional appropriate remediation and a second exam will be given. The second exam may be administered by the instructor in the classroom setting, or be completed online.

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Only the new teammate's manager will be able to enroll the new teammate in the online exam. The CSS or RN Trainer responsible for teaching Basic Training Class will communicate to the teammate's FA to enroll the teammate in DVU2069-EXAM. To protect the integrity of the online exam, the FA must enroll the teammate the same day he/she sits for the test and the exam must be proctored

Note:

- FA teammate enrollment in DVU2069-EXAM is limited to one time.

If the new teammate receives a score of less than 80% on the second attempt, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. If it is decided that the teammate should be allowed a third attempt to pass the exam, the teammate should receive appropriate remediation prior to enrollment in the online exam. The enrollment will be done by the Clinical Education and Training Team after submission of the completed form TR1-01-02C DVU2069-EXAM Enrollment Request. Enrollment will be communicated to the FA and the teammate should sit for the exam on the same day he/she is enrolled. The facility preceptor must proctor the exam.

Also included in the **didactic phase** is additional classroom training covering Health and Safety Training, systems/applications training, One For All orientation training, Compliance training, Diversity training, mandatory water classes, emergency procedures specific to facility, location of disaster supplies, and orientation to the facility.

The **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate a progression of skills required to perform the in-center hemodialysis procedures in a safe and effective manner. A *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training. The Basic Training Workbook for In-center Hemodialysis will also be utilized for this training and must be completed to the satisfaction of the preceptor and the registered nurse.

Those teammates who will be responsible for the Water Treatment System within the facility are required to complete the Mandatory Educational Water courses and the corresponding skills checklists.

Both the didactic phase and/or the clinical practicum phase will be successfully completed, along with completed and signed skills checklists, prior to the new teammate receiving an independent assignment. The new teammate is expected to attend all training sessions and complete all assignments and workbooks.

The education program for the newly hired patient care provider teammate **with previous dialysis experience** is individually tailored based on the identified learning needs. The initial orientation to the *Health Prevention and Safety Training* will be successfully completed prior to the new teammate working/receiving training in the clinical area. The new teammate will utilize the Basic

Training Workbook for In-center Hemodialysis and progress at his/her own pace under the guidance of the facility's preceptor. This workbook should be completed within a timely manner as to also demonstrate acceptable skill-level.

As with new teammates without previous experience, the **clinical practicum phase** consists of supervised clinical instruction provided by the facility preceptor, and/or a registered nurse. During this phase the teammate will demonstrate the skills required to perform the in-center hemodialysis procedures in a safe and effective manner and a *Procedural Skills Verification Checklist* will be completed to the satisfaction of the preceptor, and a registered nurse overseeing the training.

Ideally teammates with previous experience will also attend Basic Training Class, however, they may opt-out of class by successfully passing the *DaVita Basic Training Final Exam* with a score of 80% or higher. The new experienced teammate should complete all segments of the workbook including the recommended resources reading assignments to prepare for taking the *DaVita Basic Training Final Exam* as questions not only assess common knowledge related to the in-center hemodialysis treatment but also knowledge related to specific DaVita P&P, treatment outcome goals based on clinical initiatives and patient involvement in their care.

After the new teammate with experience has sufficiently prepared for the *DaVita Basic Training Final Exam,* the teammate's manager will enroll him/her in the online exam. To protect the integrity of the exam, the FA must enroll the teammate the same day he/she sits for the test and the exam must be proctored by the preceptor.

If the new teammate with experience receives a score of less than 80% on the *DaVita Basic Training Final Exam*, this teammate will be required to attend Basic Training Class. After conclusion of class, the teammate will then receive a second attempt to pass the Final Exam either as a paper-based exam or online as chosen by the Basic Training instructor and outlined in the section for inexperienced teammates of this policy.

If the new teammate receives a score of less than 80% on the second attempt, this teammate will be evaluated by the administrator, preceptor, and educator to determine if completion of formal training is appropriate. If it is decided that the teammate should be allowed a third attempt to pass the exam, the teammate should receive appropriate remediation prior to enrollment in the online exam. This enrollment will be done by the Clinical Education and Training Team after submission of the completed form TR1-01-02C DVU2069-EXAM Enrollment Request. Enrollment will be communicated to the FA and the teammate should sit for the exam on the same day he/she is enrolled. The facility preceptor must proctor the exam.

The **didactic phase** for nurses regardless of previous experience includes three days of additional classroom training and covers the following topics:

- Nephrology Nursing, Scope of Practice, Delegation and Supervision, Practicing according to P&P

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- Nephrology Nurse Leadership
- Impact – Role of the Nurse
- Care Planning including developing a POC exercise
- Achieving Adequacy with focus on assessment, intervention, available tools
- Interpreting laboratory Values and the role of the nurse
- Hepatitis B – surveillance, lab interpretation, follow up, vaccination schedules
- TB Infection Control for Nurses
- Anemia Management – ESA Hyporesponse: a StarLearning Course
- Survey Readiness
- CKD-MBD – Relationship with the Renal Dietitian
- Pharmacology for Nurses – video
- Workshop
    - Culture of Safety, Conducting a Homeroom Meeting
    - Nurse Responsibilities, Time Management
    - Communication – Meetings, SBAR (Situation, Background, Assessment, Recommendation)
    - Surfing the VillageWeb – Important sites and departments, finding information

Independent Care Assignments
Prior to the new teammate receiving an independent patient-care assignment, the Procedural Skills Verification Checklist must be completed and signed and a passing score of the DaVita Basic Training Final Exam must be achieved.
Note:
Completion of the skills checklist is indicated by the new teammate in the LMS (RN: SKLINV1000, PCT: SKLINV2000) and then verified by the FA.

Following completion of the training, a *Verification of Competency* form will be completed (see forms TR1-01-05, TR1-01-06). In addition to the above, further training and/or certification will be incorporated as applicable by state law.

The goal of the program is for the trainee to successfully meet all training requirements. Failure to meet this goal is cause for dismissal from the training program and subsequent termination by the facility.

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Process of Program Evaluation

The In-center Hemodialysis Education Program utilizes various evaluation tools to verify program effectiveness and completeness. Key evaluation tools include the DaVita Basic Training Class Evaluation (TR1-01-08A) and Basic Training Nursing Fundamentals Evaluation (TR1-0108B), the New Teammate Satisfaction Survey and random surveys of facility administrators to determine satisfaction of the training program. To assure continuous improvement within the education program, evaluation data is reviewed for trends, and program content is enhanced when applicable to meet specific needs.

Orig. 1995
Review Feb 2017
Revision Aug 2014, Oct 2014, Jul 2015, Sep 2015, Oct 2015, Jan 2016, May 2016, Jan 2017

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(f), Support Services

Attached at Attachment – 24E is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. and Total Renal Care, Inc. attesting that the proposed clinic will participate in a dialysis data system, will make support services available to patients, and will provide training for self-care dialysis, self-care instruction, home and home-assisted dialysis, and home training.

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: In-Center Hemodialysis Assurances

Dear Chair Olson:

Pursuant to 77 Ill. Admin. Code § 1110.1430(k), I hereby certify the following:

- By the second year after project completion, Sauganash Dialysis expects to achieve and maintain 80% target utilization; and
- Sauganash Dialysis also expects hemodialysis outcome measures will be achieved and maintained at the following minimums:
  - ≥ 85% of hemodialysis patient population achieves urea reduction ratio (URR) ≥ 65% and
  - ≥ 85% of hemodialysis patient population achieves Kt/V Daugirdas II .1.2

Sincerely,

Print Name: Arturo Sida
Its: Assistant Corporate Secretary, DaVita Inc.
Secretary of Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2018

See Attached

_____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On July 9, 2018 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

PER1 KIMBERLY ANN K. BURGO COMM. #2226844 Notary Public - California Los Angeles County My Comm. Expires Jan. 25, 2022 PER1

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL CON Application (DaVita Inc. / Sauganash Dialysis, LLC)

Document Date: July 9, 2018 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Saugansh Dialysis, LLC

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(g), Minimum Number of Stations

The proposed dialysis clinic will be located in the Chicago metropolitan statistical area ("MSA"). A dialysis clinic located within an MSA must have a minimum of eight dialysis stations. The Applicants propose to establish a 12-station dialysis clinic. Accordingly, this criterion is met.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(h), Continuity of Care

DaVita Inc. has an agreement with NorthShore University Health System – Evanston Hospital to provide inpatient care and other hospital services. Attached at Attachment – 24F is a copy of the service agreement with this area hospital.

TRANSFER AGREEMENT

This TRANSFER AGREEMENT (the "Agreement") is made as of the last date of signature hereto (the "Effective Date"), between **NorthShore University HealthSystem – Evanston Hospital** ("Hospital") and **Total Renal Care, Inc.**, a subsidiary of DaVita Inc. ("Facility").

WHEREAS, Facility desires to assure the availability of the Hospital's facilities for its patients who are in need of treatment at a hospital, and the Hospital is equipped and qualified to provide inpatient hospital care.

WHEREAS, the parties hereto desire to enter into this Agreement governing the transfer of patients between Hospital and the following free-standing dialysis clinic owned and operated by Facility:

Sauganash Dialysis
4054 W. Peterson Avenue
Chicago, IL 60646

THEREFORE, the parties wish to enter into the Agreement set forth below as follows:

1. Hospital agrees to make the facilities and personnel of its routine emergency service available for the treatment of acute life-threatening emergencies, which may occur to any of Facility's patients. Hospital and its staff shall cooperate with Facility's staff to ensure the provision of safe and adequate care to Facility's patients who are transferred to Hospital to receive services in the case of an emergency. If, in the opinion of a member of Facility's medical staff, any patient requires emergency hospitalization, Hospital agrees to furnish all necessary medical services at its facility for such patient at the patient's expense. In the event of an emergency at Facility, the responsible physician shall notify the patient's physician of record, as indicated in Facility's files, and shall promptly notify the Emergency Room physician of the particular emergency. Facility shall be responsible for arranging to have the patient transported to the Hospital and shall send appropriate interim medical records. Facility shall provide for an interchange, within one working day, of the patient long term program and patient care plan, and of medical and other information necessary or useful in the care and treatment of patients referred to the Hospital from Facility, or in determining whether such patients can be adequately cared for otherwise than in either of the facilities. Admission to Hospital, and the continued treatment by Hospital, shall be provided regardless of the patient's race, color, creed, sex, age, disability, or national origin.

2. In the event the patient is transferred directly from Facility to Hospital, Facility shall provide for the security of, and be accountable for, the patient's personal effects during the transfer.

3. Facility shall keep medical records of all treatments rendered to patients by Facility. Such medical records shall conform to applicable standards of professional practice. If requested by Hospital, Facility shall provide complete copies of all medical records of a patient treated by Facility.

4. In addition to the services described above, the Hospital shall make the following services available to patients referred by Facility either at the Hospital or at an affiliated hospital:

    a. Inpatient care for any patient who develops complications or any conditions that require hospital admission;

    b. Blood Bank services to be performed by the Hospital.

5. With respect to all work, duties, and obligations hereunder, it is mutually understood and agreed that the parties shall own and operate their individual facilities wholly independent of each other. All patients treated at the facilities of Hospital or Facility shall be patients of that facility. Each party shall have the sole responsibility for the treatment and medical care administered to patients in their respective facilities.

6. Facility and Hospital shall each maintain in full force and effect throughout the term of this Agreement, at its own expense, a policy of comprehensive general liability insurance and professional liability insurance covering it and its respective staff and physicians each having a combined single limit of not less than $1,000,000 per occurrence, $3,000,000 annual aggregate for bodily injury and property damage to insure against any loss, damage or claim arising out of the performance of each party's respective obligations under this Agreement. Each will provide the other with certificates evidencing said insurance, if and as requested. Either party may provide for the insurance coverage set forth in this Section through self-insurance.

7. Each party agrees to indemnify and hold harmless the other, their officers, directors, shareholders, agents and employees against all liability, claims, damages, suits, demands, expenses and costs (including but not limited to, court costs and reasonable attorneys' fees) of every kind arising out of or in consequence of the party's breach of this Agreement, and of the negligent errors and omissions or willful misconduct of the indemnifying party, its agents, servants, employees and independent contractors (excluding the other party) in the performance of or conduct related to this Agreement.

8. The Parties expressly agree to comply with all applicable laws relating to the services provided hereunder or by such party.

9. Whenever under the terms of this Agreement, written notice is required or permitted to be given by one party to the other, such notice shall be deemed to have been sufficiently given if delivered in hand, overnight delivery, personal delivery or by registered or certified mail, return receipt requested, postage prepaid, to such party at the following address:

    To the Hospital:

    NorthShore University HealthSystem
    Evanston Hospital
    2650 Ridge Avenue
    Evanston, IL 60201
    Attn: President

To Facility:

Total Renal Care, Inc.
C/o: DaVita Inc.
5200 Virginia Way
Brentwood, TN 37027
Attn: Group General Counsel

With a copy to:

Sauganash Dialysis
C/o: DaVita Inc.
4054 W. Peterson Avenue
Chicago, IL 60646
Attn: Facility Administrator

10. If any provisions of this agreement shall, at any time, conflict with any applicable state or federal law, or shall conflict with any regulation or regulatory agency having jurisdiction with respect thereto, this Agreement shall be modified in writing by the parties hereto to conform to such regulation, law, guideline, or standard established by such regulatory agency.

11. This Agreement including any exhibits, schedules, or other attachments which are incorporated herein by reference and made a part hereof may not be amended, modified, or shall be binding unless agreed to in a written instrument signed by both parties.

12. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements or understandings, whether written or oral, with respect to the subject matter hereof, as of the Effective Date. This Agreement shall bind and benefit the parties, their respective successors and assigns. This Agreement shall not be assigned by either party without the other party's prior written consent.

13. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois, without respect to its conflicts of law rules.

14. The term of this Agreement is for one (1) year, beginning on the Effective Date, and will automatically renew for successive one year periods unless either party gives the other notice prior to an expiration date. Either party may terminate this Agreement, at any time, with or without cause, upon thirty (30) days written notice to the non-terminating party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date below written.

NorthShore University HealthSystem – Evanston Hospital

By: Douglas Silverstein

Name: Douglas Silverstein

Title: President

Date: 7/11/18

Total Renal Care, Inc.

By: DocuSigned by: Brent Habitz

Name: Brent Habitz

Title: Regional Operations Director

Date: July 3, 2018

Approved by DaVita as to form only:

By: DocuSigned by: Kanika M. Rankin

Name: Kanika M. Rankin

Title: Senior Corporate Counsel - Operations

Date: July 14, 2018

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(i), Relocation of Facilities

The Applicants propose the establishment of a 12-station dialysis clinic. Thus, this criterion is not applicable.

Section VII, Service Specific Review Criteria
In-Center Hemodialysis
Criterion 1110.1430(j), Assurances

Attached at Attachment – 24G is a letter from Arturo Sida, Assistant Corporate Secretary, DaVita Inc. certifying that the proposed clinic will achieve target utilization by the second year of operation.

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification of Support Services

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1110.1430(g) that Sauganash Dialysis will maintain an open medical staff.

I also certify the following with regard to needed support services:

- DaVita utilizes an electronic dialysis data system;
- Sauganash Dialysis will have available all needed support services required by CMS which may consist of clinical laboratory services, blood bank, nutrition, rehabilitation, psychiatric services, and social services; and
- Patients, either directly or through other area DaVita facilities, will have access to training for self-care dialysis, self-care instruction, and home hemodialysis and peritoneal dialysis.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Corporate Secretary, DaVita Inc.
Secretary of Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of See Attached, 2018

Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On July 9, 2018 before me, Kimberly Ann K. Burgo, Notary Public,
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
COMM. #2226844
Notary Public - California
Los Angeles County
My Comm. Expires Jan. 25, 2022

OPTIONAL INFORMATION

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Signer's Name(s):

☐ Individual

☒ Corporate Officer — Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Saugansh Dialysis, LLC

Section VIII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will be funded entirely with cash and cash equivalents. A copy of DaVita's 2017 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted on March 6, 2018. A real estate letter of intent to lease the clinic is attached at Attachment – 34.

Attachment – 34

CUSHMAN & WAKEFIELD
225 West Wacker Drive, Suite 3000
Chicago, IL 60606
Web: www.cushmanwakefield.com

May 22, 2018

Adam Bell
Imperial Realty Company
4747 W Peterson Ave
Chicago, IL 60646

RE: LOI – 4054 W Peterson Ave, Chicago, IL 60646

Mr. Bell:

Cushman & Wakefield ("C&W") has been authorized by Total Renal Care, Inc. a subsidiary of DaVita, Inc. to assist in securing a lease requirement. DaVita, Inc. is a Fortune 250 company with revenues of approximately $13 billion. They operate 2,278 outpatient dialysis centers across the US and 124 in 10 countries outside the US. Below is the proposal outlining the terms and conditions wherein the Tenant is willing to lease the subject premises:

PREMISES:	To be constructed single tenant building on 4054 W Peterson Ave, Chicago, IL 60646
TENANT:	Total Renal Care, Inc. or related entity to be named
GUARANTOR:	Davita, Inc corporate guarantee
LANDLORD:	Rule Transfer IL Inc., an Illinois Corporation
SPACE REQUIREMENTS:	Requirement is for approximately 7,067 SF of contiguous rentable square feet. Tenant shall have the right to measure space based on ANSI/BOMA Z65.1-1996.
PRIMARY TERM:	15 years
BASE RENT:	$31.50/psf NNN with 10% increases every 5 years
ADDITIONAL EXPENSES:	Landlord estimates that the CAMIT expenses during the first year of the term will be $7.00 psf. Tenant's Prorata Share: 100% Tenant shall be responsible for its directly metered utility expenses. Following the first full calendar year, the controllable CAMIT expenses shall not increase more than 3% annually thereafter. Controllable CAMIT expenses exclude real estate taxes, snow and ice removal and common area utilities.
TENANT'S MAINTENANCE:	Tenant, at its sole cost and expense, shall be responsible for the structural and capitalized items (per GAAP standards) for the Property.
POSSESSION AND RENT COMMENCEMENT:	Landlord shall deliver Possession of the building certified pad (as indicated in Exhibit B) to the Tenant within 90 days from the later of lease execution or waiver of Tenant's CON contingency. Landlord shall have 90 days following Tenant's commencement of construction of the interior buildout to complete the Landlord's

exterior Site Development Improvements. Rent Commencement shall be the earlier of the following two events (a) Tenant opening for business and (b) ten (10) months from delivery of Possession by Landlord and Tenant obtaining building permits for its intended improvements. Landlord's delivery obligations hereunder shall be subject to force majeure.

LEASE FORM: Tenant's standard lease form.

USE: The operation of an outpatient renal dialysis clinic, renal dialysis home training, aphaeresis services and similar blood separation and cell collection procedures, general medical offices, clinical laboratory, including all incidental, related and necessary elements and functions of other recognized dialysis disciplines which may be necessary or desirable to render a complete program of treatment to patients of Tenant and related office and administrative uses or for any other lawful purpose.

Landlord shall warrant Tenant's use is permitted within the premises zoning

PARKING: Tenant requests:

a) A stated parking allocation of four stalls per 1,000 sf or higher if required by code
b) Of the stated allocation, dedicated parking at one stall per 1,000 sf
c) Four handicapped stalls located near the front door to the Premises
d) A patient drop off area, preferably covered

LANDLORD WORK: Any on and off-site improvements (parking lot, landscaping, lighting, sewer, utilities, street, curb, gutter, paving, irrigation, common area lighting, certified pad, etc) as required by the municipality to issue permits for the performance of Landlord's Work or Tenant Work will be incorporated into Landlord's Work as indicated in Exhibit B. Landlord, at its sole cost, will prepare plans, specifications and working drawings for Landlord's Work ("**Landlord's Plans**") and the same will be subject to Tenant's approval. Landlord will perform Landlord's Work in a good and workmanlike manner in conformity with Landlord's Plans, as approved by Tenant. Landlord will promptly repair all latent or patent defects in Landlord's Work, at Landlord's sole cost and expense.

Landlord will be solely responsible for and will pay all impact fees, charges, costs, assessments, and exactions charged, imposed or assessed in connection with the development and construction of the Building or Premises, but not including building permit fees for construction of the Building.

Landlord shall warrant Landlord Work is in good order and repair for one year after lease commencement. Furthermore, Landlord will remain responsible for ensuring the parking and common areas are ADA compliant.

TENANT IMPROVEMENTS: Landlord will pay to Tenant's General Contractor an allowance ("**Tenant Allowance**") for costs incurred by Tenant in connection with the construction of the Building. The Tenant Allowance will be an amount equal to $160.00 per square foot of the Building Floor Area, payable in monthly draws on the first day of each month during the performance of Tenant's Improvements. With each draw request, Tenant's General Contractor shall include sworn statements and waivers of lien to date from Tenant's General Contractor for the amount of the construction draw. At the time of Lease execution, Landlord and Tenant will enter into an escrow

agreement or tri-party agreement providing for the payment of the Tenant Allowance (the "**Security Agreement**") with the title provider of Tenant's choice. If Landlord does not fund the escrow or fails to make any payment of the Tenant Allowance on a timely basis, Tenant will have the right to terminate the Lease, stop construction of Tenant's Improvements and/or offset any unpaid amounts against Rent. The Security Agreement will authorize payment of damages or any applicable portion of Tenant's Costs from the account established for Tenant Allowance.

Tenant will have the right to convert any overage in Tenant Allowance to be used towards Tenant Improvements.

Tenant's plans will be subject to Landlord's approval.

OPTION TO RENEW: Tenant desires three, five-year options to renew the lease. Option rent shall be increased by 10% after Year 15 of the initial term and following each successive five-year option periods.

FAILURE TO DELIVER PREMISES: If Landlord has not delivered Possession of the Premises to the Tenant within 90 days from the later of lease execution or waiver of CON contingency, Tenant may elect to a) terminate the lease by written notice to Landlord or b) elect to receive two days of rent abatement for every day of delay beyond the 90 day delivery period. Landlord's delivery obligations hereunder shall be subject to force majeure.

HOLDING OVER: Tenant shall be obligated to pay 125% for the then current rate.

TENANT SIGNAGE: Tenant shall have the right to install building, monument and pylon signage at the Premises, subject to compliance with all applicable laws and regulations.

BUILDING HOURS: As a single Tenant building, Tenant will have access 24 hours a day, seven days a week and will have direct control of HVAC and other utilities.

SUBLEASE/ASSIGNMENT: Tenant will have the right at any time to sublease or assign its interest in this Lease to any majority owned subsidiaries or related entities of DaVita, Inc. with the consent of the Landlord, or to unrelated entities with Landlord reasonable approval.

ROOF RIGHTS: Tenant shall have the right to place a satellite dish on the roof at no additional fee.

NON COMPETE: Landlord agrees not to lease space to another dialysis provider within a two mile radius of Premises.

GOVERNMENTAL COMPLIANCE: Landlord shall represent and warrant to Tenant that Landlord, at Landlord's sole expense, will cause the Premises, common areas, the building and parking facilities to be in full compliance with any governmental laws, ordinances, regulations or orders relating to, but not limited to, compliance with the Americans with Disabilities Act (ADA), and environmental conditions relating to the existence of asbestos and/or other hazardous materials, or soil and ground water conditions, and shall indemnify and hold Tenant harmless from any claims, liabilities and cost arising from environmental conditions not caused by Tenant(s).

CUSHMAN & WAKEFIELD

CERTIFICATE OF NEED: Tenant CON Obligation: Landlord and Tenant understand and agree that the establishment of any chronic outpatient dialysis facility in the State of Illinois is subject to the requirements of the Illinois Health Facilities Planning Act, 20 ILCS 3960/1 et seq. and, thus, the Tenant cannot establish a dialysis facility on the Premises or execute a binding real estate lease in connection therewith unless Tenant obtains a Certificate of Need (CON) permit from the Illinois Health Facilities and Services Review Board (HFSRB). Based on the length of the HFSRB review process, Tenant does not expect to receive a CON permit prior to seven (7) months from the latter of an executed LOI or subsequent filing date. In light of the foregoing facts, the parties agree that they shall promptly proceed with due diligence to negotiate the terms of a definitive lease agreement and execute such agreement prior to approval of the CON permit provided, however, the lease shall not be binding on either party prior to approval of the CON permit and the lease agreement shall contain a contingency clause indicating that the lease agreement is not effective prior to CON permit approval. Assuming CON approval is granted, the effective date of the lease agreement shall be the first day of the calendar month following CON permit approval. In the event that the HFSRB does not award Tenant a CON permit to establish a dialysis center on the Premises within seven (7) months from the latter of an executed LOI or subsequent filing date neither party shall have any further obligation to the other party with regard to the negotiations, lease, or Premises contemplated by this Letter of Intent.

BROKERAGE FEE: Landlord recognizes C&W as the Tenant's local representative and shall pay a brokerage fee equal to one dollar and twenty five cents ($1.25) per square foot per lease term year, 50% shall be due upon the later of lease signatures or waiver of CON contingency and waiver of any other Tenant lease contingencies, and 50% shall be due upon Rent Commencement. The Tenant shall retain the right to offset rent for failure to pay the brokerage fee.

CONTINGENCIES: In the event the Landlord is not successful in obtaining all necessary approvals including, but not limited to, zoning and use, municipal approvals, and REAs, the Tenant shall have the right, but not the obligation to terminate the lease.

ENVIRONMENTAL SURVEY: Landlord to deliver Premises free and clear of any environmental issues including but not limited to asbestos and mold. Landlord will provide Tenant with a letter from a certified environmental consultant acceptable to Tenant certifying the Premises as such.

It should be understood that this proposal is subject to the terms of Exhibit A attached hereto. Please complete and return the Potential Referral Source Questionnaire in Exhibit C. The information in this proposal is confidential and may be legally privileged. It is intended solely for the addressee. Access to this information by anyone but addressee is unauthorized. Thank you for your time and consideration to partner with DaVita.

Sincerely,

Matthew J. Gramlich

CC: DaVita Regional Operational Leadership

CUSHMAN & WAKEFIELD

SIGNATURE PAGE

LETTER OF INTENT: **4054 W Peterson Ave, Chicago, IL 60646**

AGREED TO AND ACCEPTED THIS 15 **DAY OF JUNE 2018**

By: _____

On behalf of Total Renal Care, Inc., a subsidiary of DaVita, Inc.
("Tenant")

AGREED TO AND ACCEPTED THIS 29 **DAY OF JUNE 2018**

By: Rule Transfer IL Inc

Lisa Wolkowicki

("Landlord")

CUSHMAN & WAKEFIELD

EXHIBIT A

NON-BINDING NOTICE

NOTICE: THE PROVISONS CONTAINED IN THIS LETTER OF INTENT ARE AN EXPRESSION OF THE PARTIES' INTEREST ONLY. SAID PROVISIONS TAKEN TOGETHER OR SEPERATELY ARE NEITHER AN OFFER WHICH BY AN "ACCEPTANCE" CAN BECOME A CONTRACT, NOR A CONTRACT. BY ISSUING THIS LETTER OF INTENT NEITHER TENANT NOR LANDLORD (OR C&W) SHALL BE BOUND TO ENTER INTO ANY (GOOD FAITH OR OTHERWISE) NEGOTIATIONS OF ANY KIND WHATSOEVER. TENANT RESERVES THE RIGHT TO NEGOTIATE WITH OTHER PARTIES. NEITHER TENANT, LANDLORD OR C&W INTENDS ON THE PROVISIONS CONTAINED IN THIS LETTER OF INTENT TO BE BINDING IN ANY MANNER, AS THE ANALYSIS FOR AN ACCEPTABLE TRANSACTION WILL INVOLVE ADDITIONAL MATTERS NOT ADDRESSED IN THIS LETTER, INCLUDING, WITHOUT LIMITATION, THE TERMS OF ANY COMPETING PROJECTS, OVERALL ECONOMIC AND LIABILITY PROVISIONS CONTAINED IN ANY LEASE DOCUMENT AND INTERNAL APPROVAL PROCESSES AND PROCEDURES. THE PARTIES UNDERSTAND AND AGREE THAT A CONTRACT WITH RESPECT TO THE PROVISIONS IN THIS LETTER OF INTENT WILL NOT EXIST UNLESS AND UNTIL THE PARTIES HAVE EXECUTED A FORMAL, WRITTEN LEASE AGREEMENT APPROVED IN WRITING BY THEIR RESPECTIVE COUNSEL. C&W IS ACTING SOLELY IN THE CAPACITY OF SOLICITING, PROVIDING AND RECEIVING INFORMATION AND PROPOSALS AND NEGOTIATING THE SAME ON BEHALF OF OUR CLIENTS. UNDER NO CIRCUMSTANCES WHATSOEVER DOES C&W HAVE ANY AUTHORITY TO BIND OUR CLIENTS TO ANY ITEM, TERM OR COMBINATION OF TERMS CONTAINED HEREIN. THIS LETTER OF INTENT IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER TERMS; ANY SPECIAL CONDITIONS IMPOSED BY OUR CLIENTS; AND WITHDRAWAL WITHOUT NOTICE. WE RESERVE THE RIGHT TO CONTINUE SIMULTANEOUS NEGOTIATIONS WITH OTHER PARTIES ON BEHALF OF OUR CLIENT. NO PARTY SHALL HAVE ANY LEGAL RIGHTS OR OBLIGATIONS WITH RESPECT TO ANY OTHER PARTY, AND NO PARTY SHOULD TAKE ANY ACTION OR FAIL TO TAKE ANY ACTION IN DETRIMENTAL RELIANCE ON THIS OR ANY OTHER DOCUMENT OR COMMUNICATION UNTIL AND UNLESS A DEFINITIVE WRITTEN LEASE AGREEMENT IS PREPARED AND SIGNED BY TENANT AND LANDLORD.

EXHIBIT B

LANDLORD WORK

Landlord will responsible for all costs associated with the following, but not limited to: the development of the Site and Civil plans, ALTA survey, Geotechnical report with soil borings at building pad and all paved areas, Environmental soil testing and remediation (if required), Environmental Phase I & II report, landscaping/irrigation design and instillation as required.

Certified Pad Work:

1. **Compaction.** The soils where the building is to be located shall be compacted to 95% Standard Proctor at the time measured and certified by soils engineer or its contactor. Reports to be provided to Tenant.

2. **Zoning.** Any Special Use Permit required for the operation of the Premises for the Permitted Use. Landlord shall grant any / all public utility service easements as required.

3. **Utilities.** All utilities to be provided within five (5) feet of the building foundation. Landlord shall be responsible for all tap/connection and impact fees for all utilities. All utilities to be coordinated with Tenant's Architect. Utilities represent: electrical primary; natural gas; domestic water; fire line; sanitary sewer; telephone and cable service (if applicable).

4. **Plumbing.** Landlord shall stub the dedicated domestic water line within five feet of the building foundation. Building sanitary drain size will be determined by Tenant's mechanical engineer based on total combined drainage fixture units (DFU's) for the entire building, but not less than 4 inch diameter. The drain shall be stubbed to the building location coordinated by Tenant at an elevation no higher than 4 feet below finished floor elevation, to a maximum of 10 feet below finished floor elevation and within five feet of the building.

5. **Sprinkler line.** Landlord will provide a sprinkler line to within five feet of the building as required by AHJ or as required by Tenant.

6. **Electrical.** Landlord shall extend the primary to the transformer location selected by the utility. Tenant shall be responsible for the secondary to the Building. Primary service extension includes trenching, conduit, wire, concrete transformer pad and compaction backfilling.

7. **Gas.** Landlord shall provide natural gas service, at a minimum will be rated to have 6' water column pressure and supply 800,000 BTU's. Natural gas pipeline shall be stubbed to within five feet of the building foundation.

8. **Telephone.** Landlord shall provide two (2) 4" PVC underground conduit entrance into Tenant's utility room to serve as a chase way for new telephone service. Entrance conduit locations shall be coordinated with Tenant.

9. **Cable TV/Satellite Dish.** If required, Landlord shall provide a single 2" PVC underground conduit entrance into Tenant's utility room to serve as a chase way for new cable television service. Entrance conduit locations shall be coordinated with Tenant. Tenant shall have the right to place a satellite dish on the roof or wall and run appropriate electrical cabling from the Premises to such satellite dish and/or install cable service to the Premises at no additional fee. Landlord shall reasonably cooperate and grant right of access with Tenant's satellite or cable provider to ensure there is no delay in acquiring such services.

10. **Tenant's Building Permit.** Landlord shall complete any other work or requirements necessary to complete their permit requirements. Landlord shall close out any/all permits issued for site renovation work to allow Tenant to

obtain a permit for the construction of the Building shell and Tenant Improvements from the authority having jurisdiction or any other applicable authority from which Tenant must receive a permit for its work.

Exterior Site Development Work:

1. **Handicap Accessibility.** Full compliance with ADA and all local jurisdictions' handicap requirements. Landlord shall comply with all ADA regulations affecting the entrance to the Premises, including but not limited to, concrete curb cuts, ramps and walk approaches to/from the parking lot, parking lot striping for four (4) dedicated handicap stalls for a unit up to 20 station clinic and six (6) handicapped stalls for units over 20 stations, handicap stalls inclusive of pavement markings and stall signs with current local provisions for handicap parking stalls, delivery areas and walkways.

   Finish floor elevation is to be determined per Tenant's architectural plan in conjunction with Tenant's civil engineering and grading plans. If required, Landlord to construct concrete ramp of minimum 5' width, sloped per ADA requirement, provide safety rails if needed, provide gradual transitions from overhead canopy and parking lot grade to finish floor elevation. Concrete surfaces to be troweled for slip resistant finish condition according to accessible standards.

2. **Site Development Work Scope Requirements:**
   Civil engineering construction plans are to include necessary details to comply with municipal standards. Plans will be submitted electronically to Tenant's Architect for coordination purposes. Site development is to include the following:
   - Utility extensions, service entrance locations, inspection manholes.
   - Parking lot design, stall sizes per municipal standard in conformance to zoning requirement; Asphalt design to accommodate standard vehicles and delivery vehicles.
   - Site grading with storm water management control measures (detention/retention/restrictions per calculations); Snow storage identification;
   - Refuse enclosure location & construction details for trash and recycling; Enclosure sized to accommodate dual 6 CY dumpsters;
   - Patient drop off area to accommodate Tenant's canopy;
   - Handicap stall location to be as close to front entrance as possible;
   - Side walk placement for patron access, delivery via service entrance;
   - Concrete curbing for greenbelt management;
   - Site lighting coverage over site and entrances;
   - Conduits for Tenant's signage;
   - Site and parking to accommodate a 50' long semi-tractor trailer truck or greater for delivery access to service entrance;
   - Ramps and curb depressions; Street driveway entrance curb cut;
   - Landscaping shrub and turf as required per municipality, designed by a landscape architect;
   - Irrigation system if Landlord so desires and will be designed by landscape architect and approved by planning department; Irrigation details and water service design;
   - Construction details, specifications/standards of installation and legends;
   - Final grade will be sloped away from Building.

3. **Refuse Enclosure.** Tenant will have a regular refuse and a recycle dumpster. Landlord to provide a minimum 6" thick reinforced concrete pad approximate 220 SF (approximate size of 11' x 20' based on Tenant's requirements. Concrete apron to accommodate dumpster and vehicle weight. Enclosure materials and design to be constructed as required by local municipal codes.

4. **Generator.** Landlord to allow a generator to be installed onsite if required by code or Tenant chooses to provide one.

5. **Site Lighting.** Landlord to provide adequate building mounted lighting per code and to illuminate all pathways, and building access points readied for connection into Tenant's power panel. Location of pole fixtures per Landlord's lighting foot-candle illumination plan to maximize illumination coverage across site. Parking lot lighting to include a timer (to be programmed to Tenant's hours of operation) in line with a photocell to control operation. Parking lot lighting shall be connected to and powered by Landlord house panel, (if multi-tenant building) and equipped with a code compliant 90 minute battery pack up at all access points.

6. **Parking Lot.** Landlord shall provide adequate amount of handicap and standard parking stalls in accordance with dialysis use and overall building uses. Stalls to receive striping, asphalt symbol markings and concrete parking bumpers. Bumpers to be firmly spike anchored in place onto the asphalt per stall alignment. Bumpers not required in locations of vertical concrete curbing. Parking lot aisles to receive traffic directional arrows. Asphalt wearing and binder course to meet geographical location design requirements for parking area, refuse enclosure approach and for truck delivery drive ways.

CUSHMAN & WAKEFIELD

EXHIBIT C

POTENTIAL REFERAL SOURCE QUESTIONAIRRE

RE: 4054 W Peterson Ave, Chicago, IL 60646

(i) Is Landlord an individual or entity in any way involved in the healthcare business, including, but not limited to, a physician; physician group; hospital; nursing home; home health agency; or manufacturer, distributor or supplier of healthcare products or pharmaceuticals;

___ Yes ___X___ No

(ii) Is the immediate family member of the Landlord an individual involved in the healthcare business, or

___ Yes ___X___ No

(iii) Is the Landlord an individual or entity that directly or indirectly owns or is owned by a healthcare-related entity; or

___ Yes ___X___ No

(iv) Is the Landlord an entity directly or indirectly owned by an individual in the healthcare business or an immediate family member of such an individual?

___ Yes ___X___ No

Shai Wolkowicki
Rule Transfer IL Inc.

By: Rule Transfer IL Inc

Print: Shai Wolkowicki

Its: Vice President

Date: 01/29/18

Attachment – 34

Section IX, Financial Feasibility
Criterion 1120.130 – Financial Viability Waiver

The project will be funded entirely with cash. A copy of DaVita's 2016 10-K Statement evidencing sufficient internal resources to fund the project was previously submitted on March 6, 2018.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 37A is a letter from Arturo Sida, Assistant Corporate Secretary of DaVita Inc. attesting that the total estimated project costs will be funded entirely with cash.

Attachment – 37A

Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Olson:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Further, the project involves the leasing of a facility. The expenses incurred with leasing the facility are less costly than constructing a new facility.

Sincerely,

Print Name: Arturo Sida
Its: Assistant Corporate Secretary, DaVita Inc.
Secretary of Total Renal Care, Inc.

Subscribed and sworn to me
This ___ day of _____, 2018

See Attached

_____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On March 13, 2018 before me, Kimberly Ann K. Burgo, Notary Public
(here insert name and title of the officer)

personally appeared *** Arturo Sida ***

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KIMBERLY ANN K. BURGO
COMM. #2226844
Notary Public - California
Los Angeles County
My Comm. Expires Jan. 25, 2022

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person(s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: IL CON Application (DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

Document Date: March 13, 2018 Number of Pages: 1 (one)

Signer(s) if Different Than Above: _____

Other Information: _____

CAPACITY(IES) CLAIMED BY SIGNER(S)

Signer's Name(s):

☐ Individual

☒ Corporate Officer Assistant Corporate Secretary / Secretary
(Title(s))

☐ Partner
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian/Conservator
☐ Other: _____

SIGNER IS REPRESENTING: Name of Person or Entity DaVita Inc. / Total Renal Care, Inc. (Albany Park Dialysis)

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(b), Conditions of Debt Financing

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section X, Economic Feasibility Review Criteria
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below) CLINICAL	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. $ (A x C)	Mod. $ (B x E)	
CLINICAL									
ESRD	$220.63		7,067				$1,559,184		$1,559,184
Contingency	$220.06		7,067				$155,918		$155,918
TOTAL CLINICAL	**$242.69**		**7,067**				**1,715,102**		**1,715,102**
NON-CLINICAL									
Admin									
Contingency									
TOTAL NON-CLINICAL									
TOTAL	**$242.69**		**7,067**				**1,715,102**		**1,715,102**
* Include the percentage (%) of space for circulation									

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	**State Standard**	**Above/Below State Standard**
New Construction Contracts & Contingencies	$1,715,102	$286.54 x 7,067 GSF = $2,024,978	Meets State Standard
Contingencies	$155,918	10% New Construction Contracts 10% x $1,559,184 = $155,918	Meets State Standard
Architectural/Engineering Fees	$127,206	6.53% - 9.81% of New Construction Contracts + Contingencies) = 6.53% - 9.81% x ($1,559,184 + $155,918)= 6.53% - 9.81% x $1,715,102 - $111,996 -	Meets State Standard

Table 1120.310(c)			
	Proposed Project	**State Standard**	**Above/Below State Standard**
		$168,252	
Consulting and Other Fees	$38,000	No State Standard	No State Standard
Moveable Equipment	$581,818	$55,293.22 per station x 12 stations $55,293.22 x 12 = $663,519	Meets State Standard
Fair Market Value of Leased Space or Equipment	$2,216,563	No State Standard	No State Standard

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(d), Projected Operating Costs

Operating Expenses: $1,443,725

Treatments: 9,516

Operating Expense per Treatment: $151.72

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(e), Total Effect of Project on Capital Costs

Capital Costs:

Depreciation:	$200,524
Amortization:	$9,670
Total Capital Costs:	$210,193

Treatments: 9,516

Capital Costs per Treatment: $22.09

Section XI, Safety Net Impact Statement

1. This criterion is required for all substantive and discontinuation projects. DaVita Inc. and its affiliates are safety net providers of dialysis services to residents of the State of Illinois. DaVita is a leading provider of dialysis services in the United States and is committed to innovation, improving clinical outcomes, compassionate care, education and Kidney Smarting patients, and community outreach. A copy of DaVita's 2017 Community Care report, which details DaVita's commitment to quality, patient centric focus and community outreach, was included as part of its Marshall Square CON application (Proj. No. 18-017). As referenced in the report, DaVita led the industry in quality, with twice as many Four- and Five-Star centers than other major dialysis providers. DaVita also led the industry in Medicare's Quality Incentive Program, ranking No. 1 in three out of four clinical measures and receiving the fewest penalties. DaVita has taken on many initiatives to improve the lives of patients suffering from CKD and ESRD. These programs include Kidney Smart, IMPACT, CathAway, and transplant assistance programs. Furthermore, DaVita is an industry leader in the rate of fistula use and has the lowest day-90 catheter rates among large dialysis providers. During 2000 - 2014, DaVita improved its fistula adoption rate by 103 percent. Its commitment to improving clinical outcomes directly translated into 7% reduction in hospitalizations among DaVita patients.

   DaVita accepts and dialyzes Illinois patients with renal failure needing a regular course of hemodialysis without regard to race, color, national origin, gender, sexual orientation, age, religion, disability or payor source. Because of the life sustaining nature of dialysis, federal government guidelines define renal failure as a condition that qualifies an individual for Medicare benefits eligibility regardless of their age and subject to having met certain minimum eligibility requirements including having earned the necessary number of work credits. Indigent ESRD patients who are not eligible for Medicare and who are not covered by commercial insurance are typically eligible for Medicaid benefits. If there are gaps in coverage under these programs during coordination of benefits periods or prior to having qualified for program benefits, grants are available to these patients from both the American Kidney Fund and the National Kidney Foundation. If none of these reimbursement mechanisms are available for a period of dialysis, financially needy patients who meet certain objective criteria for financial assistance and otherwise cooperate with DaVita to fulfill documentation requirements may qualify for assistance from DaVita in the form of free care.

   A table showing the charity care and Medicaid care provided by the Applicants for the most recent three calendar years is provided on the following page.

2. The proposed Sauganash Dialysis will not impact the ability of other health care providers or health care systems to cross-subsidize safety net services. Excluding Irving Park Dialysis, which recently came online and is being developed to serve a different patient group, and the one non-reporting clinic, average utilization of area dialysis clinics, is 76.5% as of September 30, 2018. Further, over the past four years, patient census at the existing clinics has increased 3.3% annually and is anticipated to increase for the foreseeable future due to the demographics of the community and disease incidence and prevalence trend. Accordingly, average utilization of the existing clinics is expected to reach 80% by the time the proposed Sauganash Dialysis becomes operational.

   NorthShore Medical Group is currently treating 179 CKD patients, who reside within 5 miles of the proposed Sauganash Dialysis. See Appendix – 1. Conservatively, based upon attrition due to patient death, transplant, stable disease, or relocation away from the area and in consideration of other treatment modalities (HHD and peritoneal dialysis), Dr. Ho anticipates that at least 61 of these 179 patients will initiate in-center hemodialysis within 12 to 24 months following project completion. Based upon historical utilization trends, the existing clinics will not have sufficient capacity to accommodate NorthShore Medical Group's projected ESRD patients. Further, no patients are expected to transfer from existing clinics within the Sauganash Dialysis GSA. The proposed Sauganash Dialysis clinic will not impact other general health care providers' ability to cross-subsidize safety net services.

3. The proposed project is for the establishment of Sauganash Dialysis. As such, this criterion is not applicable.

4. A table showing the charity care and Medicaid care provided by the Applicants for the most recent three calendar years is provided below.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	2015	2016	2017
Charity (# of patients)	109	110	98
Charity (cost in dollars)	$2,791,566	$2,400,299	$2,818,603
MEDICAID			
	2015	2016	2017
Medicaid (# of patients)	422	297	407
Medicaid (revenue)	$7,381,390	$4,692,716	$9,493,634

Section XII, Charity Care Information

The table below provides charity care information for all dialysis clinics located in the State of Illinois that are owned or operated by the Applicants.

	CHARITY CARE		
	2015	2016	2017
Net Patient Revenue	**$311,351,089**	**$353,226,322**	**$357,821,315**
Amount of Charity Care (charges)	$2,791,566	$2,400,299	$2,818,603
Cost of Charity Care	$2,791,566	$2,400,299	$2,818,603

Appendix I – Physician Referral Letter

Attached as Appendix 1 is the physician referral letter from Dr. Louisa Tammy Ho projecting 61 pre-ESRD patients will initiate dialysis within 12 to 24 months of project completion.

July 6, 2018

Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Ms. Avery:

I am a nephrologist in practice with NorthShore Medical Group. I am writing in support the establishment of Sauganash Dialysis, located at 4054 West Peterson Avenue, Illinois, for which I will be the medical director. The proposed 12-station chronic renal dialysis facility will directly benefit our patients.

The proposed dialysis clinic will improve access to necessary dialysis services on the north side of Chicago. DaVita is well-positioned to provide these services, as it delivers life sustaining dialysis for residents of similar communities throughout the country and abroad. It has also invested in many quality initiatives to improve patients' health and outcomes.

I have identified 179 patients from our NorthShore practice who are suffering from chronic kidney disease ("CKD") and reside within 5 miles of the proposed Sauganash Dialysis. Conservatively, I predict at least 61 of the 179 CKD patients will progress to dialysis within 12 to 24 months of completion of Sauganash Dialysis. Our large patient base demonstrates considerable demand for this clinic.

A list of patients who have received care at existing clinics in the area over the past 3 years and most recent quarter is provided at Attachment – 1. A list of new patients I have referred for in-center hemodialysis for the past year and most recent quarter is provided at Attachment – 2. The zip codes for the 179 CKD patients previously referenced is provided at Attachment – 3.

These patient referrals have not been used to support another pending or approved certificate of need application. The information in this letter is true and correct to the best of my knowledge.

I respectfully request the Illinois Health Facilities and Services Review Board approve the Sauganash Dialysis application for permit so the clinic may provide in-center hemodialysis services for the ESRD population on the north side of Chicago.

Thank you for your consideration.

Sincerely,

Louisa Tammy Ho, M.D.
Nephrologist
NorthShore Medical Group
1000 Central Street, Suite 800
Evanston, Illinois 60201

Subscribed and sworn to me
This 16th day of July, 2018

Notary Public:

OFFICIAL SEAL
ELIZABETH HARVEY
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/23/22

Attachment 1
Historical Patient Utilization

Evanston Renal Center							
2014		2015		2016		END Q3 2017 (9/30)	
Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code
11	60202	16	60202	19	60201	1	60053
16	60201	8	60626	2	60053	11	60202
3	60660	1	60659	13	60202	17	60201
2	60076	3	60660	2	60646	3	60646
3	60712	2	60076	4	60077	2	60077
2	60714	1	60625	1	60649	3	60712
1	60091	2	60712	10	60626	10	60626
6	60626	1	60714	4	60076	5	60076
3	60203	18	60201	5	60645	2	60659
1	60640	2	60203	2	60659	1	60714
2	60077	2	60645	1	60714	1	60631
1	60646	2	60077	2	60660	1	60203
1	60402	1	60630	1	60630	1	60618
1	60647	1	60640	1	60640	3	60645
		1	60646	1	60203	1	60636
		1	60613	1	60613	1	60630
		1	60091	2	60091	1	60640
		1	60402	1	60540	1	60203
		1	60647	2	60712	1	60613
				1	60402	1	60540
				1	60647	1	60660
						1	60647
						1	60091

Attachment 1
Historical Patient Utilization

Big Oaks Dialysis							
2014		2015		2016		END Q3 2017 (9/30)	
Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code	Pt Count	Zip Code
1	60077	1	60077	2	60077	1	60714
		1	60201	1	60201	3	60077
						1	60201
						2	60712
						1	60076

Attachment 2
New Patients

Evanston Renal Center			
2016		2017 YTD 9/30	
Pt Count	Zip Code	Pt Count	Zip Code
6	60201	1	60201
2	60053	2	60626
1	60646	1	60076
1	60203	1	60202
2	60077	1	60203
3	60645	1	60618
1	60636	1	60645
1	60202	1	60076
1	60659		
1	60712		
1	60626		

Attachment 2
New Patients

Big Oaks Dialysis			
2016		2017 YTD 9/30	
Pt Count	Zip Code	Pt Count	Zip Code
1	60077	1	60714
		2	60712
		1	60077
		1	60076

Attachment - 3

Pre-ESRD patients	
Zip Code	Patients
60625	10
60630	23
60646	33
60659	43
60712	70
Total	**179**

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